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Britain and the origins of the Cold War in East Asia, 1944-1949.

Baxter, Christopher James

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INTRODUCTION

***BRITAIN AND THE
ORIGINS OF THE COLD
WAR IN EAST ASIA,
1944-1949***

**Submitted for the PhD Degree in War Studies at King's
College, University Of London**

2000

CHRISTOPHER JAMES BAXTER



INTRODUCTION

ABSTRACT

This study endeavours to examine Britain's wartime and postwar policies towards Japan, China and Korea between 1944 and 1949. From planning for the defeat of Japan to the creation of a Chinese communist state in October 1949, the development of British policy in East Asia was dictated by the need to rejuvenate and protect Britain's imperial position in Asia. Britain's imperial aims were essential in pursuing its foreign policy objective of maintaining Britain's world power status. But, both in the Second World War and emerging Cold War, Britain diverted its resources and attention to Europe, the Middle East and Southeast Asia. Consequently, the British were happy for the United States to assume a major responsibility for the direction of policies towards China, Japan and Korea. This did not mean that the British could remain indifferent to the politics of the region. The Japanese threat, its possible re-emergence, large economic investments in China and the contiguous nature of Soviet and American forces in postwar Korea, compelled the British to take an interest in the East Asian area. The failure of the United States to devise a comprehensive postwar plan for the region, other than the containment of Japan, and the emergence of an East Asian communist bloc by 1949, also forced the British to become much more involved in a region that was a traditional imperial concern. With valuable colonial economic holdings and Commonwealth interests in Southeast Asia and the Pacific, the British could not afford the Asian mainland to turn 'red' or see the revival of the Japanese menace. However, the British were slow to perceive a Cold War threat in East Asia. The British were reluctant to embrace postwar Japan as a Cold War asset, underestimated the potential of the Chinese communists and proved unable to recognise the long term implications of a communist-dominated Korea. For its part, the United States proved reluctant to work with 'imperialist' Britain in an area where America's huge effort in the war against Japan tended to reinforce a strong conviction that they had the exclusive right to restructure the East Asian region. By 1949, a co-ordinated Western policy for East Asia appeared to be a dim prospect.

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Christopher James Baxter
2000

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ABBREVIATIONS

Abbreviations used in Text

BCOF	British Commonwealth Occupational Force
BDCC, Far East	British Defence Co-ordination Committee, Far East
Cs-in-C, Far East	Commanders-in-Chief, Far East
CBI	China-Burma-India Theatre
CCP	Chinese Communist Party
CIA	Central Intelligence Agency, United States
ERP	European Recovery Programme
FEC	Far Eastern Committee, London
JIC	Joint Intelligence Committee, London
JSM	Joint Staff Mission
NATO	North Atlantic Treaty Organisation
NSC	National Security Council, United States
ORC	Overseas Reconstruction Committee, London
OSS	Office of Strategic Studies, United States
OWI	Office of War Information, United States
PHP	Post-Hostilities Planning Sub-Committee, London
PUSC	Permanent Under-Secretary's Committee, London
RAF	Royal Air Force
SANACC	Sub-Committee of the State-Army-Air Force Co-ordinating Committee, United States
SCAP	Supreme Commander Allied Powers
SEAC	South East Asia Command
SIS	Security Intelligence Service, London
SWNCC	State-War-Navy Co-ordinating Committee, United States
UKLM	United Kingdom Liaison Mission, Japan
UN	United Nations
UNCOK	United Nations Commission on Korea
UNTCOK	United Nations Temporary Commission on Korea

Abbreviations used in Footnotes

ADM	Admiralty Papers, Public Record Office
CAB	Cabinet Papers, Public Record Office
CAC	Churchill Archives Centre, Churchill College, Cambridge University
CCS	Combined Chiefs of Staff Committee papers, Public Record Office

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COS	Chiefs of Staff Committee papers, Public Record Office
CP	War Cabinet memoranda, 1945, Public Record Office
CSA	Principal Administrative Offices Committee, Public Record Office
DBPO	Documents on British Policy Overseas
DC(Ops.)	War Cabinet Defence Committee, Operations, London
DO	Dominions Office papers, Public Record Office
DMI	Director of Military Intelligence, London
DNI	Director of Naval Intelligence, London
DPM	Committee on Preparations for meeting with Dominion Prime Ministers
DUL	Durham University Library
FARELF	Far Eastern Land Forces
FEC	Far Eastern Committee, London
FE(O)C	Far Eastern Official Committee, London
FO	Foreign Office papers, Public Record Office
FRUS	<i>Foreign Relations of the United States</i>
HW10	Government Code and Cypher School: Japanese Section: Diplomatic Intelligence Summary Records
JCS	Joint Chiefs of Staff, United States
JIC	Joint Intelligence Committee, London
JIS	Joint Intelligence Staff, United States
JPS	Joint Planning Staff, London
JSP	Joint Staff Planners, United States
KCL	Liddell Hart Centre for Military Archives, King's College London
LSE	British Library of Political and Economic Science, London School of Economics
PREM	Prime Minister's Office papers, Public Record Office
RJCS	Records of the Joint Chiefs of Staff
WM	War Cabinet memoranda, 1939-1945, Public Record Office
WP	War Cabinet papers, 1939-1945, Public Record Office
WO	War Office papers, Public Record Office

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Prior to the outbreak of the Second World War, Britain's interests in East Asia had not been extensive. Apart from the Japanese crisis in East Asia during the 1930s, Britain's policies for the region were regularly formulated under the branch of imperial strategy.¹ Britain, however, was more familiar with the region than the United States through its traditional relations with China and a short-lived alliance formed with the Japanese in the early twentieth century.² By 1941, with the entry of the United States and the Soviet Union into the Second World War, Britain's ability to maintain itself at the forefront of international politics was facing new challenges.³ A financial crisis, brought on by the combination of the Great War, the 1930s Depression and the Second World War, had left Britain particularly vulnerable.⁴ Therefore, to help combat the most ominous threats of the twentieth century, Britain needed allies. The British tactic of acquiring allies was not a new phenomenon, as the Napoleonic and Crimean wars illustrated during the nineteenth century. Britain's small population, scarcity of raw materials, except for coal, and insubstantial army, continually left British power at a disadvantage.⁵ But, during the

¹ See Anthony Best, *Britain, Japan and Pearl Harbor: Avoiding War in East Asia, 1936-41* (London, 1995); Peter Lowe, *Great Britain and the Origins of the Pacific War: A Study of British Policy in East Asia, 1937-1941* (Oxford, 1977); Nicholas Tarling, *Britain, Southeast Asia and the Onset of the Pacific War* (Cambridge, 1996); Ann Trotter, *Britain and East Asia, 1933-1937* (Cambridge, 1975) and Christopher Baxter, 'A Question of Blame? Defending Britain's Position in the South China Sea, the Pacific and Southeast Asia, 1919-1941', *The Journal of the Royal United Services Institute for Defence Studies*, Vol.142 No.4 (August 1997), pp.66-75.

² Classic accounts of Anglo-Japanese relations in the early 1900s are Ian Nish, *The Anglo-Japanese Alliance: The Diplomacy of Two Island Empires, 1894-1907* (London, 1966); idem, *Alliance in Decline: Anglo-Japanese Relations, 1908-1923* (London, 1972) and Peter Lowe, *Great Britain and Japan, 1911-1915: A Study of British Far Eastern Policy* (London, 1969).

³ Michael Howard, 'Europe in the Age of the Two World Wars' in Michael Howard and Wm Roger Louis(eds.), *The Oxford History of the Twentieth Century* (Oxford, 1998), pp.103-116.

⁴ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London, 1989); David Reynolds, *Britannia Overruled: British Policy and World Power in the Twentieth Century* (London, 1991); Correlli Barnett, *The Collapse of British Power* (London, 1972) and idem, *The Audit of War: The Illusion and Reality of Britain as a Great Nation* (London, 1986).

⁵ Even in 1914, Britain had never possessed the same manpower potential as Russia, Germany, France and later America. In 1913, Britain's Territorial Army numbered 248,340 men, making Britain's immediate total approximately 480,000. If the continental European powers conscripted

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nineteenth and early-to-mid twentieth centuries, Britain, supported by the strength of the Royal Navy, a large Empire and financial security, could wield a pre-eminent global influence.⁶ By the 1940s, these tenets of British power had begun to visibly crumble. The British were broke, dependent upon American loans to maintain their war effort, and the Japanese had dispossessed Britain of large parts of its Asian Empire between late 1941 and early 1942. Furthermore, the final defeat of Germany and Japan in 1945 saw the British government concentrate on postwar demobilisation and the popular creation of a welfare system. These policies meant that the Royal Navy would suffer cuts at the hands of a postwar Britain that did not give priority to defence or rearmament until late 1949.⁷

In 1944, the British government, presided over by Winston Churchill, saw Britain's decline as a temporary feature and hoped that after the Second World War, a powerful and friendly United States would take on new global responsibilities while helping to preserve Britain's traditional international status in some form. This trend of thinking continued in the summer of 1945, with the incoming postwar Labour government, under the leadership of Clement Attlee, and the latter along with his Foreign Secretary, Ernest Bevin, hoped for active co-operation between the United States, the Soviet Union and Britain. At the Foreign Office, policy was set in terms of maintaining world power status and equality with the United States and the Soviet Union. In the Middle East and the Mediterranean, Britain hoped to achieve this policy objective by upholding its imperial

all available manpower, the wartime strength of the German Army for 1910 could number 4,146,000, the French, 3,869,000 and the Russians, 5,529,732. See David French, *The British Way in Warfare, 1688-2000* (London, 1990); Keith Neilson, "'Greatly Exaggerated': The Myth of the Decline of Great Britain before 1914', *The International History Review*, Vol.13 No.4 (November 1991), pp.698, 717-718 and John Young, 'Twentieth Century International Policy and the Issue of Decline', *The British International History Group Newsletter*, No.1 (March 1997).

⁶ Brian McKercher, *Transition of Power: Britain's Loss of Global Pre-eminence to the United States, 1930-1945* (Cambridge, 1999) and idem, 'Wealth, Power and the New International Order: Britain and the American Challenge in the 1920s', *Diplomatic History*, Vol.12 No.4 (Fall 1988), p.412. See also John Ferris, *Men, Money, and Diplomacy: The Evolution of British Strategic Policy, 1919-1926* (New York, 1989) and idem, "'The Greatest Power on Earth": Great Britain in the 1920s', *The International History Review*, Vol.13 No.4 (November 1991), pp.726-750.

⁷ Correlli Barnett, *The Lost Victory: British Dreams, British Realities 1945-1950* (London, 1995).

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position. Britain needed American help to support these imperial interests while the former rebuilt its economic strength to secure its rightful place as a power of the first rank. John Kent has consequently argued that the emerging Cold War should therefore be seen in terms of imperial rivalries and ways to maintain world power status rather than just Soviet 'behaviour' in Europe which saw the collapse of the wartime Grand Alliance in February 1948 after the Prague coup.⁸ In East Asia, Britain's role was less discernible and yet more subtle, aiming to restrain what British officials saw as America's inflexible and sometimes extreme reaction to the communist threat. In a region that was traditionally a low priority for Britain and with economic difficulties at home and huge overseas commitments, East Asia was one area where the British were happy for the United States to take the lead. Although the British were not prepared to give the United States government unlimited power of attorney to act on its behalf, historians have shown that Britain's attempts to exert influence over American policies in this area were mixed.⁹

The difficulties that Britain encountered in trying to impinge its influence on East Asian affairs started during the Second World War and has tended to reinforce the devolution of the war against Japan into a purely American-Japanese encounter.¹⁰ This

⁸ John Kent, *British Imperial Strategy and the Origins of the Cold War, 1944-49* (Leicester, 1993) and Henry Ryan, *The Vision of Anglo-America: The US-UK Alliance and the Emerging Cold War, 1943-1946* (New York, 1987), pp.18-20 and Donald Watt, *Succeeding John Bull: America in Britain's Place, 1900-1975* (Cambridge, 1984).

⁹ The most famous works on the wartime period that highlighted Anglo-American tensions were Christopher Thorne, *Allies of a Kind: The United States, Britain, and the War Against Japan, 1941-1945* (Oxford, 1978) and Wm. Roger Louis, *Imperialism at Bay: The United States and the Decolonisation of the British Empire, 1941-1945* (Oxford, 1977). See also Christopher Thorne, *Border Crossings: Studies in International History* (Oxford, 1988); idem, *Racial Aspects of the Far Eastern War of 1941-1945* (London, 1982); idem, *The Far Eastern War: States and Societies, 1941-45* (London, 1986) and Wm. Roger Louis, 'American Anti-Colonialism and the British Empire', *International Affairs*, Vol.61 No.3 (Summer 1985), pp.395-420. See Roger Buckley, *Occupation Diplomacy: Britain, the United States and Japan 1945-1952* (Cambridge, 1982); Peter Lowe, *Containing the Cold War in East Asia: British Policies towards Japan, China and Korea, 1948-1953* (Manchester, 1997) and Lanxin Xiang, *Recasting the Imperial Far East: Britain and America in China, 1945-1950* (London, 1995), for recent studies of British attempts to influence American policy after the Second World War.

¹⁰ The head of the Far Eastern Department at the Foreign Office, John Sterndale Bennett, emphatically minuted just five days after Japan's surrender that 'the Americans are claiming that they won the war "in the Pacific" practically single-handed'. Sterndale Bennett, minute, 20

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narrow analysis has been exacerbated by the close relationship established between the United States and the Japanese during the Cold War in East Asia.¹¹ American scholars, unlike *British historians*, also obtained earlier access to documented material on the ~~early~~ Cold War. From the early 1970s, more primary material opened to researchers in the United States for the Cold War, while during the same period, British academics were denied access to documents under the thirty-year rule. It was not until Donald Watt's famous call in 1978 for Britain's historians to examine the new documents steadily becoming available, that a British angle to the Cold War slowly began to develop by the mid-1980s.¹² Indeed, numerous historians have made good use of the plethora of British records that became available at the Public Record Office dealing with the allied occupation of Japan, the Japanese peace settlement and the recognition of communist China.¹³

Until the late 1990s, there had been very little on British postwar policies towards East Asia in its entirety. This was corrected by Peter Lowe when, in 1997, he produced a study on British policies towards China, Japan and Korea for the period 1948-1953. Lowe consulted a large number of official and private papers in both the United States and Britain. He observed that British officials were often critical of American policies towards East Asia. By the late 1940s, for example, the British appeared unimpressed with the American desire to follow a policy of drift in a China that was rapidly turning

August 1945, F5023/69/23, FO 371/46440, National Archives, Public Record Office, London. See also Jon Robb-Webb, 'The Loneliness of Long Distance Command: Admiral Fraser and the British Pacific Fleet', *War Studies Journal*, Vol.2 No.1 (Autumn 1996), pp.61-75.

¹¹ Akira Iriye, 'Continuities in U.S.-Japanese relations, 1941-49' in Yonosuke Nagai and Akira Iriye(eds.), *The Origins of the Cold War in Asia* (New York, 1977), pp.378-407.

¹² See Donald Watt, 'Rethinking the Cold War: A letter to a British Historian', *Political Quarterly*, Vol.49 No.4 (1978), pp.446-456 and Christopher Baxter, 'Did British History in Asia and the Pacific "End" in February 1942?' *War Studies Journal*, Vol.3 No.1 (Winter 1997), pp.101-104. The first British books to appear on the Cold War using documented material were Elizabeth Barker, *The British Between the Superpowers, 1945-1950* (London, 1983); Ritchie Ovendale, *The English Speaking Alliance: Britain, the United States, the Dominions and the Cold War, 1945-51* (Leicester, 1984) and Victor Rothwell, *Britain and the Cold War, 1941-7* (London, 1982).

¹³ See footnote 9 and Ritchie Ovendale, 'Britain, the United States, and the Recognition of Communist China', *Historical Journal*, Vol.26 No.1 (1983), pp.139-158.

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communist while also proceeding with plans to withdraw from Korea under the cover of the United Nations (UN). More alarmingly, in the opinion of British officials, the Truman administration were intent on rehabilitating a former enemy, Japan, to compensate for a United States withdrawal from the Asian mainland. Although the British exerted a moderating influence on significant occasions, in most cases, Britain was not prepared to contemplate a serious rift with the United States for fear of jeopardising their help in the protection of Western Europe from communism. Indeed, the task of achieving this protection proved formidable and it would not be until January 1951 that the Truman administration finally agreed to an American military commitment for the defence of Western Europe. The main theme of Lowe's work illustrated a familiar predicament for the British in late wartime and postwar Anglo-American relations: Britain often felt there was little room to manoeuvre, since it was forced either to follow or, if possible, to modify American policies.¹⁴

The origins of this Anglo-American framework can be found in two important pioneering works that emerged in the late 1970s and early 1980s, which dealt with Britain's struggle to influence the evolution of East Asia amidst increasing United States power in the region. Christopher Thorne's *Allies of a Kind* demonstrated how Britain, with a lack of resources and its attention turned towards Europe and the Middle East, found it increasingly hard to execute an imperial strategy during the war against Japan. The task was complicated further by a strong anti-colonialist United States who, after its humiliation at Pearl Harbor in December 1941, successfully wielded complete control over allied strategy to defeat Japan.¹⁵ Following on from this work, in 1982, Roger

¹⁴ See Lowe, *Containing the Cold War in East Asia*.

¹⁵ See Thorne, *Allies of a Kind*. For Britain and the United States, the war against Japan was epitomised by the contrasting domestic reactions to the Japanese attack on Pearl Harbor and the British loss of Singapore in February 1942. In the United States, Pearl Harbor sparked outrage and a desire for revenge while in Britain, defeat at Singapore was shrouded in shame and humiliation. See Louis Allen, 'The Campaigns in Asia and the Pacific' in John Gooch(ed.), *Decisive Campaigns of the Second World War: The Journal of Strategic Studies*, Vol.13 No.1 (March 1990), p.163.

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Buckley produced the first analysis of Britain's role in the allied occupation of Japan. Despite its remit for the period 1945-1952, the bulk of Buckley's study concentrated on the period from 1944-1947. It examined Britain's often unsuccessful attempts to gain a greater say in the control of Japanese affairs and the evolving relations between its increasingly vociferous Commonwealth partners, such as Australia. Similar to Lowe, the main theme showed that although there remained a diversion of Anglo-American opinion over how the occupation was run, the British never allowed it to reach a level where it could imperil more important United States economic, and later military, help for Europe.¹⁶

This thesis hopes to integrate these existing works into establishing an additional line of argument to British policy in East Asia. In the chapters that follow I will be examining the emerging hostile relations between the Anglo-American powers and the Soviet Union in the context of the Cold War, with special emphasis on East Asia. By analysing Britain's perceptions of American, Soviet and Chinese intentions in East Asia, the thesis will attempt to understand Britain's imperial motives behind the formulation of its goals for China, Japan and Korea. Using primary sources from private papers, the Public Record Office, the Liddell Hart Centre for Military Studies, the *Foreign Relations of the United States* and recent secondary sources that draw on material from Russian and Chinese archives, this study aims to concentrate on British foreign policy in East Asia and to analyse whether it correctly assessed the evolution of the region during this period. Newly released British intelligence and defence material, that Lowe, Buckley and Thorne did not incorporate into their studies, helps lead this thesis to develop a more critical outlook of British policy towards East Asia rather than analysing the usual British critique of United States policies for the region.¹⁷

¹⁶ See Buckley, *Occupation Diplomacy*.

¹⁷ Malcolm Murfett has used recently released defence material to study the decline of the Royal Navy in the Asia-Pacific region during 1945-1951. See Malcolm Murfett, *In Jeopardy: The Royal*

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There is no doubt that from 1944-1949, British policy in East Asia was dominated by the maintenance of its imperial and economic interests. Imperial policy was an important part of British foreign policy and, together with economic concerns, deemed an essential component in preserving Britain's world power status. Yet, this thesis will attempt to show that the imperial dynamic driving British attitudes towards the region blinded officials at Whitehall to the wider implications of East Asia turning Communist. Britain's age-old imperial experience of ruling large parts of Asia undoubtedly led British officials to underestimate the political potential of the region in international affairs other than its possible effect on Britain's imperial, economic and world power position. This British mindset was, in part, responsible for Britain's neglect of Korean affairs, never a traditional imperial concern, its underestimation of the ability of the Chinese communists to rule China and its desire to recoil from the idea of embracing Japan as a Cold War asset. I will therefore argue that adding this imperial dynamic to what we already know about British policy for East Asia, explains far more comprehensively the reasons behind the Anglo-American failure to devise an effective and co-ordinated Western strategy for the region.

The structure of the thesis revolves around the mid-twentieth century framework of Britain's declining position amongst the Soviet Union and the United States. My starting point, therefore, deals with the eclipse of Britain as a power of the first rank during the Second World War and its attempt to preserve its imperial and world power status. By 1944, the Soviet Union and the United States gradually began to discuss Chinese and Korean affairs without Britain. In the same year, planning for the defeat of Japan would see the emergence of a familiar dilemma for British strategists: how to maintain Britain's imperial position in Asia and preserve anti-colonialist American help so essential for the next war. Indeed, by 1944, British fears over German and Japanese designs had receded

Navy and British Far Eastern Defence Policy, 1945-1951 (Kuala Lumpur, 1995).

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somewhat to become replaced by anxieties regarding the future actions of the Soviet Union. As one historian notes, in 1944 the Soviet Union could best be defined as a potential ally but also the potential enemy.¹⁸ The thesis ends in 1949, after the Chinese communists had achieved their remarkable victory for the control of China. This event saw Britain involved in East Asian affairs much more than it had anticipated in 1945, largely because of the pressures of the Cold War and the need to protect its imperial position in Asia from communism. The thesis does not continue until the outbreak of the Korean war. Surveying the documents, during the first six months of 1950, the British showed hardly any interest in Korea and could not move forward on Japanese affairs until the United States resolved its policy on Japan which occurred after the Korean war broke out. In China, by the end 1949 the British had already effectively decided to recognise the Chinese communists and formally announced this decision in January 1950. Once again major policy changes, such as the American determination to deny Formosa to the Chinese communists, did not appear until June 1950.

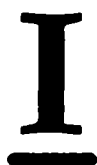
A final word on terminology. The conflict against Japan during the Second World War will be referred to as the war in Asia and the Pacific. This embraces the fact that Japan fought widely in East Asia, Southeast Asia and the Pacific.¹⁹ When referring to Whitehall, this is taken to mean the administrative and policy-making apparatus of the British government, with special reference to the Foreign, War, Admiralty, Air, Colonial, Dominion and Treasury offices. For this period, the region of East Asia refers to China, Japan and Korea. Southeast Asia includes Burma, Siam, French Indo-China, the Philippines, Malaya, Singapore, Sarawak, North Borneo and the Dutch East Indies. South Asia denotes the Indian subcontinent. Siam refers to present day Thailand.

¹⁸ Kent, *British Imperial Strategy*, p.211.

¹⁹ For a debate over the terminology used for the war against Japan see Thorne, *The Far Eastern War* and Saki Dockrill, 'One Step Forward - A Reappraisal of the Pacific War' in Saki Dockrill(ed.), *From Pearl Harbor to Hiroshima: The Second World War in Asia and the Pacific, 1941-45* (London, 1994), pp.1-3.

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Vietnam, Laos and Cambodia constituted the former French colony of Indo-China while the archipelago of Indonesia was formally known as the Dutch East Indies. Formosa refers to present day Taiwan. Finally, the Japanese, Chinese and Korean style of writing last names first is adopted throughout this study. For Chinese names the Wade-Giles system is preferred to the Pinyin system which is in keeping with the source materials of the period 1944-1949.



STRATEGIC POLICY AND POSTWAR PLANNING FOR THE DEFEAT OF JAPAN

MAP ONE: EAST AND SOUTHEAST ASIA, 1944-1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.IV: The Reconquest of Burma* (London, 1965).
Reproduced by kind permission of the Historical and Records Section at the Cabinet Office.

I

STRATEGIC POLICY FOR THE DEFEAT OF JAPAN AND POSTWAR PLANNING, 1944-1945

I. Introduction

Winston Churchill's alignment with the Soviet Union and the United States in 1941 guaranteed Britain's survival during the Second World War. It was a decision that saw Britain's eclipse as a power of the first rank and witnessed its increasing inability to influence East Asian affairs. By 1944, the United States and the Soviet Union frequently discussed the future of China and Korea between themselves, which had a direct bearing on British imperial prestige in China. This did not mean that East Asia had become unimportant to Britain. The difficulty for Britain in attempting to restore its position on the Asian continent after the Japanese successes in 1941 and 1942, lay in the fact that its efforts were hampered by the policy to defeat Germany first, a lack of resources and the American domination of the command system. On the one hand, American officials perceived that Britain's contribution to the war against Japan was small and more devoted to the imperial aim of reconquering its Southeast Asian colonies. On the other hand, British officials presumed that the Americans wanted to dominate East Asian politics and therefore deny Britain a role in the defeat of Japan. Even though Britain was unable to play a major role in East Asian affairs, its Prime Minister, Winston Churchill, the Foreign Office and the Chiefs of Staff were all anxious to rehabilitate Britain's imperial position in Asia. However, their timing and method were different and this caused considerable friction within Whitehall. The creation of a British Pacific fleet and the Chiefs of Staff's proposals for army and air units to be used in the invasion of Japan,

STRATEGIC POLICY AND POSTWAR PLANNING FOR THE DEFEAT OF JAPAN

derived more from a British effort to restore its imperial prestige in the region, than for any purely operational reasons. Despite these efforts to rebuild British power, amidst the growing strength of the United States and the Soviet Union, Britain's postwar planning for a defeated Japan remained tardy. Dependent on the release of human resources once the war in Europe had ended, postwar planning was further undermined by an American conviction that the occupation of Japan would be almost exclusively controlled by the United States. When Japan surrendered, British ideas on postwar planning for East Asia had barely surpassed basic concepts.

II. The Grand Alliance and its Influence on British Policy in East Asia

According to Churchill, the fall of France in June 1940 witnessed a new era in Anglo-American relations. Britain, fighting for its life and unable to conserve foreign exchange, was in desperate need of American assistance to ensure its survival. Churchill, with his firm belief in an Anglo-American 'special relationship', remained determined to accept the economic and political costs that this help would entail.¹ In the 1990s, Churchill's enthusiasm for American support and his decision to align with the Soviet Union has been challenged, the contention being that it precluded an independent foreign policy while significantly diminishing British power.² It is, though, not unnatural

¹ Winston Churchill, *The Second World War, Vol.II: Their Finest Hour* (London, 1949), pp.492-493. For a good critique of the Anglo-American alliance see David Reynolds, 'Roosevelt, Churchill, and the Wartime Anglo-American Alliance, 1939-1945' in Wm. Roger Louis and Hedley Bull(eds.), *The 'Special Relationship': Anglo-American Relations Since 1945* (Oxford, 1986), pp.17-41. The 'destroyers-for-bases' deal and the lend-lease of American war material were early indications of these costs in September 1940 and March 1941. See J.Butler, *Grand Strategy, Vol.II: September 1939-June 1941* (London, 1957), pp.417-422; Robert Dallek, *Franklin D.Roosevelt and American Foreign Policy, 1932-1945* (Oxford, 1979), pp.243-272; David Reynolds, *The Creation of the Anglo-American Alliance 1937-1941: A Study in Competitive Co-operation* (Chapell Hill, 1982), pp.113-31, 145-168; A.Dobson, *US Wartime Aid to Britain 1941-1946* (London, 1986) and Warren Kimball, *The Most Unsordid Act: Lend Lease, 1939-1941* (Baltimore, 1969).

² See, for example, John Charmley, *Churchill: The End of Glory. A Political Biography* (London, 1993), pp.559-570 and idem, *Churchill's Grand Alliance: The Anglo-American Special Relationship 1940-57* (London, 1995), pp.3-192. Charmley's thesis was not new. In the 1960s, John Grigg, for example, stated that: '[Churchill] successively defied the power of our enemies, but he could not defy the power of our friends'. See John Ramsden, 'How Winston Churchill Became "The Greatest Living Englishman"', *Contemporary British History*, Vol.12 No.3 (Autumn 1998), pp.1-40.

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to presume that any Anglo-German agreement would have produced the same or possibly worse result.³ Certainly by the summer of 1940, the Anglo-American powers had symmetrical interests in the Western Hemisphere. Both wanted to prevent the development of a German-controlled Europe, to safeguard North Atlantic lines of communication and guarantee Britain's national existence.⁴ Defence of the homeland and maintaining the integrity of Empire were, in essence, the main tenets of British grand strategy. Since the late seventeenth century, the success of this policy had depended on the stability of Europe and a strong Empire.⁵ Until 1941, Britain believed that international affairs had centred upon itself and the other great European powers. Once Singapore had fallen to the Japanese in 1942 and Britain's war effort began to reach its peak during 1943,⁶ this traditional outlook was increasingly influenced by Soviet and American policies. As early as December 1941, Moscow had made demands on the British for territory in Eastern Europe. Meanwhile, from 1942, although the British Foreign Secretary, Anthony Eden, accepted the fact that the United States would become the dominant partner in the Anglo-American relationship, he worried how this domination might affect British policies towards the Soviet Union, France and the Commonwealth.⁷

³ David Reynolds, 'Churchill the Appeaser? Between Hitler, Roosevelt, and Stalin in World War Two' in Michael Dockrill and Brian McKercher (eds.), *Diplomacy and World Power: Studies in British Foreign Policy, 1890-1950* (Cambridge, 1996), pp.197-220 and John Young, *Britain and the World in the Twentieth Century* (London, 1997), p.130.

⁴ See Butler, *Grand Strategy, Vol.II*, p.423 and McKercher, *Transition of Power*, p.309.

⁵ French, *The British Way in Warfare*.

⁶ See Baxter, 'A Question of Blame?' pp.66-75 and 'Man-Power Policy for 1944', Anderson memorandum, WP(43)539, 27 November 1943, CAB 66/43.

⁷ Earl of Avon, *The Eden Memoirs: The Reckoning* (London, 1965), pp.316-317, 334-352; John Ramsden, *The Age of Churchill and Eden, 1940-1957* (London, 1995), pp.34-36; Lydia Pozdeeva, 'The Soviet Union: Territorial Diplomacy' in David Reynolds, Warren Kimball and A.Chubarian (eds.), *Allies at War: The Soviet, American and British Experience, 1939-1945* (New York, 1994), pp.357-360.

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Britain's basic wartime strategic concept, which the United States endorsed, was to defeat Germany first and remain on the defensive against Japan.⁸ Churchill's efforts to weld the United States firmly to the 'Germany-first' strategy had important implications for British policy in East Asia. At the Casablanca conference in January 1943, by supporting the American President, Franklin Roosevelt, in his call for the unconditional surrender of Germany and Japan, Churchill was attempting to allay American fears that Britain would not share the burden of beating Japan, once Germany had been defeated.⁹ This was essential in order to reinforce America's commitment to the European front,¹⁰ but it tied an economically devastated Britain to possible long-term operations in Asia.¹¹ Nevertheless, this decision, along with Roosevelt's concurrence at Quebec during August 1943 regarding the appointment of Lord Louis Mountbatten as the Supreme Commander in Southeast Asia Command(SEAC), placed Britain in a position to restore its Asian imperial possessions. It was a poor consolation for Churchill, who had attempted but failed, to secure the services of a British commander to head the invasion of Northwest Europe, operation Overlord.¹² Churchill could not ignore the fact that the United States would eventually provide the preponderance of forces for operations in France.¹³ Britain's ebbing power was further demonstrated at the Teheran conference during November 1943, when Joseph Stalin, the leader of the Soviet Union, had pressed

⁸ Churchill, minute for Eden, 21 October 1942, PREM 4/100/7 and Butler, *Grand Strategy*, Vol.II, pp.423-427.

⁹ Roosevelt and Churchill also set out to reassure the Soviet Union that the Anglo-American powers would not sign a separate peace with Germany. See Michael Howard, *Grand Strategy*, Vol.IV: *August 1942-September 1943* (London, 1972), pp.282-283.

¹⁰ The United States Navy had strongly argued for American resources to be poured into the Pacific first. See Mark Stoler, 'The "Pacific-First" Alternative in American World War II Strategy', *The International History Review*, Vol.2 No.3 (July 1980), pp.432-452 and Maurice Matloff, 'Allied Strategy in Europe, 1939-1945' in Peter Paret(ed.), *Makers of Modern Strategy: From Machiavelli to the Nuclear Age* (Oxford, 1986), pp.677-702.

¹¹ W.Hancock and M.Gowing, *British War Economy* (London, 1949), pp.518-524.

¹² Winston Churchill, *The Second World War*, Vol.V: *Closing the Ring* (London, 1952), pp.70, 76.

¹³ By May 1945, 65 per cent of the 4 million allied soldiers in Western Europe were American and only 20 per cent were British. Reynolds, 'Churchill the appeaser?', p.209.

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his Western allies to set a date for Overlord in May 1944. Roosevelt agreed, seven British-American divisions were removed from the Mediterranean, a principal area of British imperial interest, and Churchill's hopes for a British-led advance towards Vienna gradually receded. Although the British possessed larger forces *vis-à-vis* the Americans in Italy and Burma, the decisive theatres remained in Northwest Europe and the Pacific. The growing material and economic power of the United States within the Anglo-American relationship meant that these 'decisive theatres' were headed by American Supreme Allied Commanders.¹⁴

Britain's visible loss of power relative to the United States caused concern in Whitehall. The Chancellor of the Exchequer, John Anderson, wrote to Eden, anxious that if the Americans believed 'they have done all the real fighting themselves, they may perhaps in the mood of victory treat us generously as dependent relatives but we can hardly expect them to regard us as partners who deserve something better'.¹⁵ By 1944, Britain's volume of exports had been depressed to below one-third of their level before the war while lend-lease would cover 54 per cent of the country's total deficit payments during the war.¹⁶ At the Board of Trade, Britain's financial crisis was seen as a passing phase,¹⁷ but wiser heads in the Economic Section of the Cabinet Office predicted far greater economic difficulties for postwar Britain.¹⁸ ~~Churchill dependently told his private secretary in the fall of 1944 that: 'all he could do now was to finish the war, to get~~

¹⁴ See John Ehrman, *Grand Strategy, Vol.V: August 1943-September 1944* (London, 1956), pp.105-121, 173-183, 510-512; Michael Howard, *The Mediterranean Strategy in the Second World War* (London, 1968), pp.56-57; Churchill, *The Second World War, Vol.V*, pp.76, 331-336 and Keith Sainsbury, *The Turning Point: Roosevelt, Stalin, Churchill, and Chiang Kai-shek, 1943: The Moscow, Cairo, and Teheran Conferences* (London, 1985).

¹⁵ See Brand to Anderson, letter, 23 August 1944, AN3460/6/45, FO 371/38512 and Anderson to Eden, letter, 30 August 1944, *ibid*.

¹⁶ See Reynolds, *Britannia Overruled*, pp.151-152; Hancock and Gowing, *British War Economy*, pp.518-524 and Young, *Britain and the World*, p.133.

¹⁷ Skevington to Peek, letter, 18 February 1944, F935/2/10, FO 371/41536.

¹⁸ 'A Proposal for an International Commercial Union', Meade memorandum, EC(S)(42)19, 28 July 1942, Meade 3/2, Meade papers, British Library of Political and Economic Science, London School of Economics(LSE).

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~~the soldiers home and to see that they houses to which to return. But materially and financially the prospects were black.~~¹⁹ The repercussions of this economic weakness on British imperial policy in East Asia manifested itself in two ways. By the end of 1943, Eden was aware that the contribution which Britain could make towards retrieving its Empire in Asia was slight. He concluded that: 'there was nothing for it but to wait and hold our end up as best we could, leaving most of the talk and proposing to others'.²⁰ This British predicament increasingly witnessed the settlement of Chinese and Korean affairs by the Soviet Union and the United States. To the dismay of the Foreign Office, the British were rarely consulted, signifying yet another instance of Britain's declining influence and its eclipse as a first rank power.²¹

With their defeat at Kursk in the summer of 1943, the German Army finally began to move over to the defensive on the Eastern Front.²² This battle had an important consequence for East Asia because it allowed the Soviets to seriously contemplate a possible role in the war against Japan.²³ Henceforth, by October 1943 Stalin, and his Foreign Minister, Vyacheslav Molotov, were intimating to senior American officials their intention to join the conflict in Asia.²⁴ The price for this intervention began to surface at the Teheran conference on 30 November 1943. The American Ambassador to Moscow, Averell Harriman, recalled that Stalin had made it clear that he wanted to abrogate the Treaty of Portsmouth imposed upon Russia in 1905 by Japan. The use of Manchurian

¹⁹ ~~Diary entry for 7 September 1944, CLVL 1/6, Colville papers, Churchill Archives Centre, Churchill College, Cambridge University(CAC).~~

²⁰ Earl of Avon, *Memoirs*, pp.425-426.

²¹ Mason, minute, 16 May 1944, AN1886/6/45, FO 371/38508.

²² See Richard Overy, *Russia's War* (London, 1998), pp.186-222; John Erickson, *Stalin's War with Germany, Vol.II: The Road to Berlin* (London, 1983) and Janusz Piekalkiewicz, *Operation 'Citadel': Kursk and Orel. The Greatest Battle of the Second World War* (London, 1987).

²³ The Soviet Union was not at war with Japan. The two countries had signed a non-aggression pact in April 1941. For a survey of Soviet-Japanese relations that led to the signature of a Neutrality treaty in 1941 see Jonathan Haslam, *The Soviet Union and the Threat from the East, 1933-1941* (London, 1992) and George Lensen, *The Strange Neutrality: Soviet-Japanese Relations During the Second World War, 1941-1945* (Tallahassee, 1972).

²⁴ See David Rees, *The Defeat of Japan* (London, 1997), p.64.

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ports and railroads would also have to be discussed and Churchill, according to Harriman, thought that the Soviet Union's legitimate needs should certainly be satisfied.²⁵ The American State Department did not object to Soviet running rights through the Chinese railway to Vladivostok and Harbin and a free port at Dairen, provided that it was not accompanied by any threat to Chinese sovereignty in Manchuria.²⁶ Britain's ability to discuss terms with Stalin that would directly affect its imperial prestige in China was demonstrated at Moscow, during October 1944, when Harriman suggested to Churchill that the British ought to step aside once the matter of Soviet entry into the Asian-Pacific conflict came up.²⁷

However, a Soviet declaration of war against Japan had important advantages for the British. The unreliability of the Nationalist Chinese Army, combined with the decision by the United States to invade Japan, had focused British and American leaders on securing the entry of powerful Soviet forces into Northeast Asia. It was hoped that the opening of a front in Manchuria and the manpower resources of the Soviet Union could vastly accelerate the defeat of Japan.²⁸ This would then reduce Britain's financial and manpower burdens in the Asian-Pacific war. The American Joint Chiefs of Staff and the British Joint Planning Staff foresaw that the Red Army, with a force of perhaps 55-60 divisions amounting to 1 million men, could tie down large number of Japanese divisions

²⁵ W.Averell Harriman and Elie Abel, *Special Envoy to Churchill and Stalin 1941-1946* (London, 1976), pp.364, 371.

²⁶ Record of discussion between Hornbeck, Jebb and Webster, 26 August 1944, Charles Kingsley Webster papers at Dumbarton Oaks, personal memoranda, August-October 1944, Webster papers, 12/4, LSE.

²⁷ Harriman and Abel, *Special Envoy*, p.364.

²⁸ 'An Estimate of Russian Aims in the Far East', Far Eastern Department memorandum, 5 October 1944, F9836/8854/61, FO 371/54073; Churchill, minute for Cadogan, 23 April 1944, F2115/1358/23, FO 371/41823 and Ehrman, *Grand Strategy, Vol V*, pp.498-524. Stalin initially stated his willingness to give American strategic air forces bases in Kamchatka but this was later rescinded for fear of provoking a Japanese attack and a reluctance to have foreigners stationed on Soviet territory. 'Russian Participation in the War Against Japan', McFarland and Graves note, JCS 1176/6, 24 January 1945, records of the Joint Chiefs of Staff (RJCS: 1941-1945), microfilm (MF) 147, Liddell Hart Centre for Military Archives, King's College, London University (KCL) and Odd Arne Westad, *Cold War & Revolution: Soviet-American Rivalry and the Origins of the Chinese Civil War* (New York, 1992), p.12.

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on mainland China to help alleviate the pressure on allied forces invading Japan.²⁹ To achieve this end, in October 1944, Churchill thought that: 'it will be absolutely necessary to offer Russia substantial war objectives in the Far East'.³⁰ Stalin was also concerned that American leaders might attempt a negotiated peace with Tokyo that would leave Japan strong enough to challenge the Soviet Union. Only Soviet participation in the war and writing the terms of peace could ensure against Japan's revival.³¹

Recent evidence appears to suggest that Stalin's minimum postwar aims were to dominate the periphery of the Soviet Union.³² Stalin's policies resulted from the genuine fear of a resurgent Germany and Japan. A sphere of influence in Eastern Europe and Northeast Asia were, for Stalin, the key to Soviet security. During July 1945, for example, Stalin envisaged Japan's restoration to its full might within thirty years.³³ In this respect, the British Joint Intelligence Committee (JIC) correctly observed that apart from the acquisition of Sakhalin and the Kuriles, Stalin would try to obtain some form of control over Manchuria and Korea in order to gain access to Dairen and Port Arthur. Manchuria and Korea were rich in raw materials and supplies of food that made much of Northeast Asia self-supporting.³⁴ In fact, the JIC, the Chiefs of Staff's planners and the Foreign Office all hoped that Stalin would not establish a direct threat to Britain's important

²⁹ 'Possible Russian Participation in the War Against Japan', JP(45)140(Final), 10 July 1945 F4445/1057/23, FO 371/46462 and 'Russian Strength in the Far East', JIC(45)210(0)(Final), 27 June 1945, CAB 81/129. This figure was confirmed by Stalin's Army Chief of Staff, General A. Antonov. See Rees, *The Defeat of Japan*, pp.69, 98 and Michael Schaller, *The American Occupation of Japan: The Origins of the Cold War in Asia* (Oxford, 1985), pp.8-9.

³⁰ Churchill, minute for Eden and the COS, 23 October 1944, F9836/8854/61, FO 371/54073.

³¹ Westad, *Cold War & Revolution*, pp.8-9.

³² Sergei Goncharov, John Lewis and Xue Litai, *Uncertain Partners: Stalin, Mao and the Korean War* (Stanford, 1993), p.1 and Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: From Stalin to Khrushchev* (London, 1996), pp.16-17. Kathryn Weathersby, 'Soviet Aims in Korea and the Origins of the Korean War, 1945-1950: New Perspectives from Russian Archives', *Cold War International History Project: Woodrow Wilson International Center for Scholars*(1993), p.31.

³³ See Vojtech Mastny, *The Cold War and Soviet Insecurity: The Stalin Years* (Oxford, 1996) and Goncharov, Lewis and Litai, *Uncertain Partners*, p.3.

³⁴ 'Russia's Strategic Interests and Intentions from the Point of View of her Security', JIC(44)467(0), 18 December 1944, CAB 81/126.

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strategic sea routes and colonial possessions in Southeast Asia. To guarantee this, the Foreign Office presumed that if Britain adopted an understanding attitude towards Soviet desires in Northeast Asia, 'she seems unlikely to make trouble for us in the southern regions where our interests lie'.³⁵ This analysis took little account of the fact that a powerful communist bloc in Northeast Asia might, in the long term, pose a threat to Britain's imperial position in Asia. Still, in early 1945, Soviet power appeared to threaten British interests in Asia much less than it did in the Middle East and Mediterranean, where Soviet influence was likely to expand as a result of the advance of the Red Army.³⁶

Churchill and Roosevelt were prepared to accommodate Soviet spheres of influence in Eastern Europe and Northeast Asia.³⁷ Churchill visited Moscow during October 1944 and his 'percentages' agreement attempted to curtail Soviet expansionism into the Mediterranean by recognising Soviet ascendancy in Romania and Bulgaria while Stalin accepted British primacy in Greece.³⁸ For his part, Roosevelt, tending to rely on personal diplomacy towards the latter part of his presidential career, was prepared to meet Stalin's

³⁵ See *ibid*; 'Strategic Interests in the Far East', JP(44)278(Final)(Restricted), 1 January 1945, CAB 79/28; 'An Estimate of Russian Aims in the Far East', Far Eastern Department memorandum, 5 October 1944, F9836/8854/61, FO 371/54073 and 'Probable Post-War Tendencies in Soviet Foreign Policy as Affecting British Interests', Foreign Office memorandum, 29 April 1944, N1008/183/38, FO 371/43335.

³⁶ Kent, *British Imperial Strategy*, p.11.

³⁷ As John Gaddis points out, Roosevelt's idea of a world governed by the 'Four Policemen' that included Britain, the United States, the Soviet Union and China, clearly implied an idea of spheres. John Gaddis, *The Long Peace: Inquiries Into the History of the Cold War* (Oxford, 1987), p.50. The Chiefs of Staff had also accepted that the Soviets would largely have a sphere of their own in which they had their own security organisation. See 'Report on COS(44)51', Jebb, minute, 19 February 1944, U1751/748/G, FO 371/40740. See also Martin Folly, *Churchill, Whitehall and the Soviet Union, 1940-45* (London, forthcoming), pp.174-175.

³⁸ Winston Churchill, *The Second World War, Vol.VI: Triumph and Tragedy* (London, 1954), p.227; Albert Resis, 'The Churchill-Stalin Secret "Percentages" Agreement on the Balkans, Moscow, October 1944', *American Historical Review*, Vol.83 No.2 (April 1978), pp.369-387 and Marc Percival, 'Churchill and Romania: The Myth of the October 1944 "Betrayal"', *Contemporary British History*, Vol.12 No.3 (Autumn 1998), pp.41-61. The 'percentages' deal was more than Stalin had been aiming for but he readily agreed to Churchill's proposals. Mastny, *The Cold War*, pp.20-21 and Warren Kimball, *Forged in War: Churchill, Roosevelt and the Second World War* (London, 1997), p.313.

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demands in Northeast Asia to secure the Soviet leader's goodwill and the Red Army's entry into the war against Japan. These were offered at the Yalta conference in February 1945, when Stalin requested control over southern Sakhalin, the Kuriles, the Manchurian ports of Dairen and Port Arthur, and the maintenance of the *status quo* in Outer Mongolia.³⁹ Britain was excluded from these discussions and Churchill was not consulted but he put his signature to the terms, claiming later that: 'It was regarded as an American affair...It was not for us to claim or shape it...To us the problem was remote and secondary'.⁴⁰ Eden, together with his permanent under-secretary at the Foreign Office, Sir Alexander Cadogan, clearly disagreed with Churchill. Both thought it wrong to take decisions that took no account of China's wishes.⁴¹ In effect, Stalin and Roosevelt were shaping postwar East Asian matters between themselves that largely ignored the Chinese and the resultant consequences for Britain's postwar imperial influence.

The concessions that Roosevelt and Churchill were prepared to give to Stalin, had brought forth concern in British and American governmental circles.⁴² Roosevelt had been reluctant to show any distrust towards Moscow until shortly before his death, while Churchill's attitude fluctuated between hope on one the hand and fear on the other.⁴³

³⁹ Stalin's demand for a lease over the Chinese Eastern Railway as well effectively granted the Soviets extraterritorial rights in China. Goncharov, Lewis and Litai, *Uncertain Partners*, pp.2-3 and Westad, *Cold War & Revolution*, chp.1.

⁴⁰ See Churchill, *The Second World War*, Vol.VI, p.342.

⁴¹ Earl of Avon, *Memoirs*, p.514 and Harriman and Abel, *Special Envoy*, p.399.

⁴² Eden worried that the Soviet Union had vast aims, including the domination of Eastern Europe and the Mediterranean. Eden, minute, 3 April 1944, N1908/36/38, FO 371/43304. See also John Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (New York, 1982), pp.3-16.

⁴³ John Gaddis, *We Now Know: Rethinking Cold War History* (Oxford, 1998), p.22; Harriman and Abel, *Special Envoy*, p.444; Young, *Britain and the World*, pp.138-139 and Martin Kitchen, 'Winston Churchill and the Soviet Union During the Second World War', *Historical Journal*, Vol.30 No.2 (1987), pp.415-436. Eden and the Foreign Office adopted a similarly ambiguous line towards Moscow. See for example, Jebb, minute, 24 February 1945, U890/36/70, FO 371/50774; Wilson, minute, 5 March 45, *ibid*; Michael Burd interview with Lord Brimelow, 20-21 April 1982, CAC and Folly, *Churchill, Whitehall and the Soviet Union*, pp.183-184. The Chiefs of Staff were more inclined to treat the Soviet Union as a *potential enemy*. See diary entry for 27 July 1944 in Arthur Bryant, *Triumph in the West, 1943-1946: Based on the Diaries and Autobiographical Notes of Field Marshal the Viscount Alanbrooke* (London, 1959), p.242; Martin Kitchen, *British Policy Towards the Soviet Union During the Second World War* (London, 1986), p.262 and Geoffrey Warner, *From*

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Stalin and Molotov desired a *de facto* spheres of influence agreement that recognised a Soviet sphere in Eastern Europe and an Anglo-American sphere in Western Europe and the Mediterranean. This concept did not preclude postwar co-operation but the ultimate aim for the Soviet Union was to secure a buffer of friendly regimes along its borders.⁴⁴ Although both Churchill and Roosevelt were reconciled to the idea of spheres of influence, they did object to a closed Stalinist *bloc* developing in Eastern Europe and Northeast Asia.⁴⁵ British and American policy-makers feared that once the Soviet Union entered the war against Japan, a weakened Chinese Nationalist government could not effectively check the creation of a chain of 'independent' Soviet Socialist Republics including Sinkiang, Mongolia, Manchuria and Korea.⁴⁶ Despite these concerns, Roosevelt's successor, Harry Truman, accepting advice from the Joint Chiefs of Staff on 24 July 1945, still felt it was essential to obtain Soviet military help in the Japanese conflict as soon as possible.⁴⁷ The American Secretary of State for War, Henry Stimson, wrote to the under-secretary of state at the State Department, Joseph Grew, on 21 May 1945, arguing that: 'Russian entry will have a profound military effect in that almost certainly it will materially shorten the war and thus save American lives'. For this reason, Truman and Stimson implicitly rejected attempts by Grew to revise the Yalta accords.⁴⁸

ally to enemy: Britain's Relations with the Soviet Union, 1941-1948' in McKercher and Dockrill(ed.), *Diplomacy and World Power*, pp.221-232.

⁴⁴ Geoffrey Roberts, 'Ideology, calculation, and improvisation: spheres of influence and Soviet foreign policy 1939-1945', *Review of International Studies*, Vol.25 No.4 (October 1999), pp.656, 668.

⁴⁵ John Gaddis, *The Long Peace*, pp.29-30, 48-52 and Reynolds, *Britannia Overruled*, pp.155-156.

⁴⁶ Dening to Sterndale Bennett, telegram no.1318, 17 January 1945, F711/127/G61, FO 371/46325 and Waldo Heinrichs, *American Ambassador: Joseph C.Grew and the Development of the United States Diplomatic Tradition* (Boston, 1966), p.374.

⁴⁷ General Marshall was particularly insistent on this issue. See Harry Truman, *Memoirs by Harry S.Truman, Vol.I: Years of Decisions* (New York, 1955), p.315; William Leahy, *I Was There: The Personal Story of the Chief of Staff to Presidents Roosevelt and Truman Based on Notes and Diaries Made at the Time* (London, 1950), p.448; Harriman and Abel, *Special Envoy*, p.489 and Truman to his wife, letter, 18 July 1945 in Robert Ferrell(ed.), *Dear Bess: The Letters from Harry Truman to Bess Truman 1910-1959* (Columbia, 1983), p.519.

⁴⁸ Stimson thought that the Soviet Union had the power to occupy Manchuria, Korea, Sakhalin and North China at will, whatever the United States might do. Schaller, *The American Occupation of Japan*, pp.7-10; John Gaddis, *The Long Peace*, p.26 and Robert Messer, *The End of an Alliance: James F.Byrnes, Roosevelt, Truman, and the Origins of the Cold War* (Chapel Hill, 1982), pp.85-92.

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Truman was not experienced in international diplomacy and relied heavily on advisers such as Stimson, Harriman and Grew.⁴⁹ Their views had turned more hard-line towards the Soviet Union than Roosevelt's but, the armed service ministers in particular, remained unsure of the potential Soviet danger and wondered if Japan or Germany could still pose the greater threat.⁵⁰ Truman's dilemma was to restrain Soviet ambitions in Eastern Europe and Northeast Asia but at the same time maintain a co-operative relationship consistent with the interests of the United States.⁵¹

A sign that all was not well between the parties in the Grand Alliance occurred on 26 July 1945 when, without consulting the Soviet Union, who was not yet at war with Japan, the United States and Britain released the Potsdam declaration stating the terms for a Japanese surrender. It was a move that indicated a desire on the part of the Anglo-American powers to obtain a separate peace from Japan.⁵² Such a deduction is reinforced by Churchill's reaction to the news that the Americans had successfully tested the atomic bomb in New Mexico during July 1945. Churchill, *who was more flexible over modifying unconditional surrender terms*,^{*} believed that:

It was no longer necessary for the Russians to come into the Japanese war...we now had something in our hands which would redress the balance with the Russians! Now we could say if you insist on doing this or that, well we can just blot out Moscow, then Stalingrad, then Kiev.⁵³

⁴⁹ Truman, himself, admitted this. Diary entry for 12 April 1945 in Robert Ferrell(ed.), *Off the Record: The Private Papers of Harry S. Truman* (Columbia, 1980), p.16. See also William Pemberton, *Harry S. Truman: Fair Dealer and Cold Warrior* (Boston, 1989), pp.45-48; David McCullough, *Truman* (New York, 1992), p.355; Walter Isaacson and Evan Thomas, *The Wise Men: Six Friends and the World They Made. Acheson, Bohlen, Harriman, Kennan, Lovett, McCloy* (New York, 1986), pp.255-256, 261-265; Schaller, *The American Occupation of Japan*, pp.7-8 and Robert Maddox, *From War to Cold War: The Education of Harry S. Truman* (Boulder, 1989), pp.47-54.

⁵⁰ Michael Sherry, *Preparing for the Next War: American Plans for Postwar Defense, 1941-45* (London, 1977), pp.159-190.

⁵¹ Diary entry for 17 July 1945 in Ferrell(ed.), *Off the Record*, p.53; John Gaddis, 'The insecurities of victory: the United States and the perception of the Soviet threat after World War II' in Robert Lacey(ed.), *The Truman Presidency* (Cambridge, 1989), p.244; Messer, *The End of an Alliance*, pp.133-134; Isaacson and Thomas, *The Wise Men*, p.256 and Melvyn Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, 1992), pp.33-34.

⁵² Schaller, *The American Occupation of Japan*, p.15

⁵³ Diary entry for 23 July 1945 in Alanbrooke Diary, 9 May 1945 to 23 December 1945, 5/11, Alanbrooke papers, KCL.

* *Record of private talk between Churchill & Stalin on 17 July at Potsdam in Butler, R & Pelly, M (eds), Documents on British Policy Overseas (DBPO), Series I, Vol. I: The Conference at Potsdam, July-August 1945 (London, 1984), p. 384*

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There is no doubt that Truman, to some degree, shared Churchill's enthusiasm about using the bomb to restrain Soviet ambitions in Eastern Europe and Northeast Asia. However, Truman's decision to drop the atomic bomb in Hiroshima on 6 August 1945 was motivated more by his anxiety to save American lives in the war against Japan.⁵⁴ As a matter of courtesy, the United States had informed Britain that it would drop the atomic bomb on Hiroshima. The British had given their consent on 4 July 1945 but the Americans did not consult the British when they dropped a second bomb in Nagasaki on 9 August 1945.⁵⁵ Once the Soviet Union had declared war against Japan on 8 August 1945 and the Red Army advanced into northern China and Korea, Britain found it increasingly difficult to influence events in East Asia.

III. Britain, China and the Politics of Imperialism

A. DEVISING A STRATEGY FOR CHINA

By arranging for lend-lease to begin arriving in China from March 1941, Roosevelt and his Army Chief of Staff, General George Marshall, had attempted to make the Chinese Nationalist leader, Chiang Kai-shek, a useful ally. In December, after Pearl Harbor, General Joseph Stilwell was sent to China as a senior adviser to Chiang and during 1942 he commanded Chinese forces in their retreat from Burma. American forces in East Asia were then amalgamated into an overall command, the China-Burma-India Theatre (CBI). At this time, the German advance to Stalingrad had left the United States with little reason to believe that the Soviet Union would break its neutrality with Japan and tie

⁵⁴ See Gar Alperovitz, *Atomic Diplomacy: Hiroshima and Potsdam: The Use of the Atomic Bomb and the American Confrontation with Soviet Power* (Boulder, 1994); Martin Sherwin, *A World Destroyed: The Atomic Bomb and the Grand Alliance* (New York, 1975); Barton Bernstein, 'Understanding the Atomic Bomb and the Japanese Surrender: Missed Opportunities, Little-known Near Disasters, and Modern Memory', *Diplomatic History*, Vol.19 No.2 (Spring 1995), pp.227-273 and idem, 'Reconsidering Truman's Claim of "Half a Million American Lives" Saved by the Atomic Bomb: The Construction and Deconstruction of a Myth', *The Journal of Strategic Studies*, Vol.22, No.1 (March 1999), pp.54-95.

⁵⁵ Churchill, *The Second World War*, Vol.VI, p.533 and Earl of Avon, *Memoirs*, p.547.

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MAP TWO: BURMA, 1944-1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.IV: The Reconquest of Burma* (London, 1965).
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down Japanese forces in northeast China.⁵⁶ Consequently, between 1942 and 1943, Roosevelt and Churchill regarded it necessary to keep China in the war, thereby containing as many Japanese troops as possible. The Americans also wanted to secure Chinese air bases which would allow them to attack the Japanese mainland.⁵⁷ As Japan tried to mobilise Asian nationalism against the Anglo-American powers, it was also essential to keep China firmly on the side of the United States and Britain.⁵⁸ By 1944, there were 21 American-equipped and trained divisions, 5 of them in northern Burma. The American supply of these divisions depended on the British, who provided facilities to fly transport aircraft from India into southern China.⁵⁹

However, American, British and Chinese strategies for the China-Burma region encompassed many divergent aims that precluded an integrated military policy for East Asia. Stilwell argued for an advance towards Lashio, so his forces could link Burma's two main northern supply routes, the Ledo Road and the Burma Road. Churchill considered that such a task, through treacherous jungles, would not be finished until the need for it had passed. He preferred to contain Japanese forces in Burma and advance across the

⁵⁶ Charles Romanus and Riley Sunderland, *United States Army in World War II: China-Burma-India Theater: Stilwell's Mission to China* (Washington, 1966); Xiaoyuan Liu, *A Partnership for Disorder: China, the United States, and their policies for the postwar disposition of the Japanese Empire, 1941-1945* (Cambridge, 1996), pp.16-19; Edward Dreyer, *China at War, 1901-1949* (London, 1995), p.267 and Peter Calvocoressi, Guy Wint and John Pritchard, *Total War: The Causes and Courses of the Second World War, Vol.II: The Greater East Asia and Pacific Conflict* (London, 1989), p.542. See also Anthony Beevor, *Stalingrad* (London, 1998); Overy, *Russia's War*, pp.99-185 and John Erickson, *Stalin's War with Germany, Vol.I: The Road to Stalingrad* (London, 1975).

⁵⁷ See 'Role of China in Defeat of Japan', Stilwell memorandum, CCS 405, 22 November 1943, CAB 88/20; 'Operations in South-East Asia', United States COS memorandum, CCS 452/6, 17 February 1944, CAB 88/22 and 'Strategy in South-East Asia Command', Joint Staff Planners (JSP) memorandum, JCS 774, 16 March 1944, RJCS: 1941-1945, MF 156, KCL. At no time were less than 850,000 Japanese soldiers in China and by October 1944 that total had risen to 1.5 million men. See Churchill, *The Second World War, Vol.V*, p.494; Wenzhao Tao, 'The China Theatre and the Pacific War' in Dockrill(ed.), *From Pearl Harbor to Hiroshima*, pp.134-149.

⁵⁸ For racial and cultural aspects of the Asian-Pacific conflict see Akira Iriye, *Power and Culture: The Japanese-American War, 1941-1945* (Cambridge, Mass, 1981); John Dower, *War without Mercy: Race and Power in the Pacific War* (New York, 1986) and Thorne, *Racial Aspects of the Far Eastern War of 1941-1945*.

⁵⁹ These supplies had previously been delivered by the 'Burma Road' from Mandalay but since the fall of Burma in May 1942 that route had been closed. See John Ellis, *One Day in a Very Long War: Wednesday 25th October 1944* (London, 1998), p.459 and Rees, *The Defeat of Japan*, p.55.

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Bay of Bengal to regain the more prestigious British imperial prizes of Malaya and Singapore.⁶⁰ Chiang favoured another strategy, promulgated by the American General, Claire Chennault. The latter argued he could defeat Japan with strategic bomber forces flown from China. Chiang presumed that as long^{as} Japanese troops were tied down on the mainland, China served an important military purpose by not allowing those units to be redeployed. Chennault's strategy allowed Chiang to preserve the Nationalist Army for its fight with the Chinese communists after the war and would preclude Stilwell from reorganising his Army, endangering Chiang's personal control over it.⁶¹ Throughout the war, the British JIC were aghast that the bulk of Chiang's forces had been employed against blockading the communists in the wilds of Shensi, while second-rate troops were left to oppose the Japanese.⁶² This JIC attitude was thus symptomatic of Britain's disbelief in China's offensive capacity and it led the British Chiefs of Staff to prefer Formosa rather than the Chinese mainland, as a base for strategic bombing against Japan.⁶³

There were undoubtedly differences of opinion between the United States and Britain over the status of China in the war against Japan, but this chasm should not be overestimated. At the Cairo conference in November 1943, Eden noted that: 'our American allies were impressed, almost to the point of obsession, with the merits of General and Mme. Chiang Kai-shek and their government'.⁶⁴ The American public had

⁶⁰ Churchill to his wife, letter, 17 August 1944 in Mary Soames(ed.), *Speaking For Themselves: The Personal Letters of Winston and Clementine Churchill* (London, 1998), p.501 and Churchill, *The Second World War, Vol.V*, pp.494-495.

⁶¹ Jespersen, *American Images of China, 1931-1949* (Stanford, 1996), p.124; Tao, 'The China Theatre and the Pacific War', pp.138-139; Sainsbury, *Churchill and Roosevelt at War*, pp.113-114; Calvocressi, Wint and Pritchard, *Total War: The Causes and Courses of the Second World War, Vol.II*, p.547; Dreyer, *China at War*, pp.271-272, 276-279 and Parks Coble, *Facing Japan: Chinese Politics and Japanese Imperialism, 1931-1937* (Cambridge, Mass, 1991).

⁶² 'China: Some Current Trends and Recent Developments', Kitson memorandum, 23 May 1946, F7701/25/10, FO 371/53564. See also Dreyer, *China at War*, p.290.

⁶³ See 'Operations in South-East Asia', memorandum by representatives of British COS, CCS 452/7, 20 February 1944, CAB 88/22 and Howard, *Grand Strategy, Vol.IV*, pp.540-542.

⁶⁴ Earl of Avon, *Memoirs*, p.426.

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been led to believe, through media sources such as *Time* magazine and various missionaries, that China was united behind Chiang. Indeed, Roosevelt had envisaged China as one of the 'four policeman' in the postwar world. Churchill, the Chiefs of Staff and the Foreign Office, though, were unable to reconcile themselves with Roosevelt's concept.⁶⁵ It led a correspondent from the *New York Times* to argue in 1944 that: 'the United States looks upon China as a great power; Britain does not'.⁶⁶ This clear-cut disagreement between the Anglo-American powers needs to be qualified. Privately, both Churchill and Roosevelt were irritated by Chiang's stubbornness, his poor grasp of strategy and the incompetence of his Chinese military staff. At Cairo, Roosevelt told Stilwell that he felt 'fed up with Chiang and his tantrums', while Churchill had attempted to persuade Chiang to visit the Pyramids instead of attending the conference!⁶⁷ The difference between Churchill and Roosevelt was that the latter constantly tried to promote an image of Sino-American co-operation for the overall war effort. Roosevelt's intentions were focused on the long-term prospects of China, a point that Churchill was unwilling to grasp and one that Stalin feared. Roosevelt told Mountbatten in 1943 that: 'I really feel it is a triumph to have got the four hundred and twenty-five million Chinese on the Allied side'. But in recognising their present military capabilities, he concluded

⁶⁵ See Keith Sainsbury, *Churchill and Roosevelt at War: The War They Fought and the Peace They Hoped to Make* (London, 1994), pp.160-178; 'Report on COS(44)51', Jebb, minute, 19 February 1944, U1751/748/G, FO 371/40740; Sterndale Bennett to Seymour, letter, 21 October 1944, F4794/34/10, FO 371/41582; Scott, minute, 23 January 1945, F454/36/10, FO 371/46170 and Thyne Henderson, minute, 29 January 1945, *ibid*.

⁶⁶ Hanson Baldwin, 'Confusion over Burma Warfare', *New York Times*, 12 April 1944.

⁶⁷ See Ronald Spector, *Eagle Against the Sun: The American War with Japan* (London, 1985), 352-353; Warren Kimball, *The Juggler: Franklin Roosevelt as Wartime Statesman* (Princeton, 1991), p.142; *idem*, *Forged in War*, p.236 and Churchill, *The Second World War, Vol VI*, pp.289-290. Ismay wrote of his experiences at Cairo that: 'Chiang Kai-shek struck me as knowing damn little about the war, and Madame, in spite of her acute mind, rather less. However, we managed to get rid of them after two or three days craziness'. Ismay to Somerville, letter, 20 December 1943, IV/Som/4, Ismay papers, KCL.

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MAP THREE: CHINA, 1944-1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.IV: The Reconquest of Burma* (London, 1965).
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that: 'this will be very useful twenty-five or fifty years hence, even though China cannot contribute much military or naval support for the moment'.⁶⁸

B. THE VALUE OF CHINA IN THE WAR AGAINST JAPAN

By 1944, China was inherently weak and divided. Chinese communist forces were gaining in strength, while inflation, prices and taxes began to rise to staggering proportions in Chiang's China.⁶⁹ British and American officials who visited China continually highlighted disunity, corruption and economic bankruptcy.⁷⁰ For instance, the British Ministry of Supply noted that: 'the number of rackets going on in China passes comprehension and that almost everybody is in it up to the hilt'.⁷¹ The Chinese Nationalist Army was also poor, containing elements with differing degrees of loyalty towards Chiang. The American General, Albert Wedemeyer, described Nationalist officers as 'incapable, inept, untrained, petty [and] altogether inefficient'.⁷² Sir Horace Seymour, the British Ambassador at Chungking, wondered how 'these half-fed, half-armed and diseased troops can put up any show of resistance at all'.⁷³ In April 1944, when the Japanese launched their east China offensive, operation Ichigo, to clear

⁶⁸ Jespersen, *American Images of China*, p.124; Liu, *A Partnership for Disorder*, p.21; Sainsbury, *Churchill and Roosevelt at War*, pp.160-178 and Westad, *Cold War & Revolution*, pp.8-9.

⁶⁹ See 'Plan of Propaganda to China', Overseas Planning Committee, Ministry of Information paper no.501A, 25 May 1944, F2675/28/10, FO 371/41578; Lloyd Eastman, J.Ch'en, S.Pepper and L.Van Slyke, *The Nationalist Era in China, 1927-1949* (Cambridge, 1991), p.152 and William Kirby, 'The Chinese War Economy' in James Hsiung and Steven Levine(eds.), *China's Bitter Victory: The War with Japan, 1937-1945* (London, 1992), pp.192-198.

⁷⁰ 'The Situation in China: November 1944', Keswick memorandum, 30 November 1944, F6140/34/10, FO 371/41583 and Seymour to his wife, letter, 5 December 1944, SEYR 2/7, Seymour papers, CAC. Mansfield to Roosevelt, 3 January 1945, *Foreign Relations of the United States (FRUS), Vol.VII: The Far East, China, 1945* (Washington, 1969), pp.2-11.

⁷¹ Elliott to Douglas, letter, 19 October 1943, F71/2/10, FO 371/41535. When the American Vice-President, Henry Wallace, returned from a visit to China, he remarked that: 'the higher one went to the more disgusted one became'. Wallace quoted in Halifax to Foreign Office, telegram no.230, 20 August 1944, F3976/357/10, FO 371/41632.

⁷² Albert Wedemeyer, *Wedemeyer Reports!* (New York, 1958), p.325. See Hsi-sheng Ch'i, 'The Military Dimension, 1942-1945' in Hsiung and Levine(eds.), *China's Bitter Victory*, pp.168-174 for an appraisal of the Nationalist Army's poor communications, transport and quality of troops.

⁷³ Seymour to Eden, letter, 16 May 1944, F2611/28/10, FO 371/41578.

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Chennault's air force bases south and southeast of Chungking, they virtually sliced China in half and by November were threatening the wartime capital of China.⁷⁴ Watching the Japanese advance in China, Britain's acting Consul-General at Chungking depressingly recorded that: 'China's armies, like her roads in summer, are still frequently quite undependable and a washout...The best that can be said of them is that they move so rapidly that their personnel are difficult to capture'.⁷⁵

As Chiang Kai-shek found himself in an ever worsening military, economic and political situation, he requested the withdrawal of all 5 Chinese divisions from the Burma front. Roosevelt, exasperated, ordered Chiang to place his army under Stilwell. *Stilwell, opposed by the British, Chennault and Chiang, was also seen by American officials* Humiliated, Chiang lobbied for Stilwell's removal. *as an obstacle to co-operative* Sino-American relations. Roosevelt, *therefore*, split CBI into a China and India-Burma Theatre and appointed General Wedemeyer to head the American military effort in China.⁷⁶ The British had also been outraged by Chiang's request and considered it strategically unsound, in view of the disruptive effect it would have on their offensive operations in Burma.⁷⁷ It led to a heated disagreement between the British Chiefs of Staff and the Foreign Office over the value of China in the war against Japan. The Chiefs of Staff considered that even if China was knocked out of the war, this loss would be increasingly offset by the development of air bases in the Philippines and Pacific island chains. The advantages of a Chinese collapse to Japan, the Chiefs argued, would be more political than military, such as the bolstering of Japanese morale and the consequent

⁷⁴ The success of Ichigo revealed the bankruptcy of the Chennault strategy. See Paul Kennedy, 'Japanese Strategic Decisions, 1939-45' in Paul Kennedy (ed.), *Strategy and Diplomacy, 1870-1945: Eight Studies* (London, 1989), pp.191-194; Spector, *Eagle Against the Sun*, pp.365-381 and Ellis, *One Day in a Very Long War*, pp.460-461.

⁷⁵ Ronald Hall to Seymour, letter, 13 June 1944, F3048/34/10, FO 371/41581. The chairman of the JIC held much the same opinion, arguing that the Chinese Nationalist Army was a 'useless rabble' apart from the 5 Burma divisions. Cavendish-Bentinck, minute, 2 December 1944, F5663/119/23, FO 371/41803

⁷⁶ Dreyer, *China at War*, p.300.

⁷⁷ Sterndale Bennett, minute, 2 December 1944, F5663/119/23, FO 371/41803.

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lowering of Anglo-American prestige in Asia.⁷⁸ The Foreign Office, and in particular, the Far Eastern Department, suspected that the British military had been out to prove 'at all costs' that China could be 'written off' with comparative equanimity.⁷⁹ The head of the Far Eastern Department, John Sterndale Bennett, remained convinced that a weak and disunited China would be a constant source of trouble. He felt that the Chiefs of Staff based their views on the short term potential of China's value in the war and on the natural desire to see no unnecessary diversion of Britain's own war effort.⁸⁰

Sterndale Bennett's robust reactions against the Chiefs of Staff were undoubtedly reinforced by American accusations that Britain did not want a strong and united China.⁸¹ The second secretary of the United States Embassy to China, John Davies, had written in January 1945 that: 'the British may get what they want - a disunited China with the southern half of the country a British and, if we so desire, American sphere of influence'.⁸² The United States Ambassador to China, Patrick Hurley, went further, claiming the he had uncovered British 'plots' to keep China divided against itself. When Hurley learnt that the Chiefs of Staff were appointing Major-General Hayes as Commander of British Forces in China, he saw it as a British attempt to re-establish the prestige of imperialism.⁸³ Hurley was an ^{eccentric and a right-wing Republican} Irish-American, with a strong nationalist outlook but his fears were misplaced. By July 1945, Hayes felt that the British were being 'pushed

⁷⁸ 'The Value of China in the War against Japan', JIC(45)10(0)(Final), 11 January 1945, CAB 79/28; COS minutes, COS(45)16, 16 January 1945, *ibid* and Hollis to Sterndale Bennett, letter, 17 January 1945, F439/186/10, FO 371/46209.

⁷⁹ Foreign Office to Chungking, telegram no.25, 11 January 1945, F136/136/10, FO 371/46202 and Sterndale Bennett, minute, 19 January 1945, F387/186/10, FO 371/46209.

⁸⁰ Sterndale Bennett, minute, 19 January 1945, F409/409/10, FO 371/46232.

⁸¹ Seymour to Foreign Office, telegram no.34, 18 January 1945, F409/409/10, FO 371/46232.

⁸² 'China and the Kremlin', Davies memorandum, 4 January 1945, *FRUS, 1945, Vol.VII*, p.156. For an in-depth account of the 'strong China' controversy see Xiang, *Recasting the Imperial Far East*, chp.1.

⁸³ Hurley to Truman, 20 May 1945, *ibid*; Sterndale Bennett, minute, 23 February 1945, F1113/11/61, FO 371/46304 and Winant to Roosevelt, telegram, 21 November 1944, *FRUS, Vol.III: The British Commonwealth and Europe, 1944* (Washington, 1965), pp.1285-1286.

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around' by the Americans and losing prestige daily.⁸⁴ In fact, SEAC had seen Chiang's request to transfer its Burma divisions as an American-inspired attempt to hamstring the British effort in Burma to ensure that it would play no major role in the defeat of Japan.⁸⁵ These mutual suspicions transcended into other areas of policy. The American intelligence service, the Office of Strategic Services(OSS), created a British Empire Section which collected regular information on Britain's intentions towards its imperial possessions throughout Asia. Similarly, British secret services had set up the British Security Co-ordination Office in New York, and this organisation carefully monitored American ambitions in the East. This atmosphere of mutual distrust that surrounded the Anglo-American intelligence community had the negative effect of focusing both the British and American secret services, not on the war against Japan, but on ways of advancing their own national interests in the Asian-Pacific region.

Within SEAC and the CBI, American distrust and criticism of British operations against Japan were less covert. In November 1943, Mountbatten complained to Eden that the Americans were very critical of Britain's conduct in Asia,⁸⁶ while his political adviser, Esler Dening, was convinced that the United States were loathe to recognise the fact that Britain had a part to play at all in the region.⁸⁷ Stilwell, a well-known misanthropist, was an avid critic of Britain's role in the war against Japan and summed up Mountbatten's planning conferences as 'cock-eyed' and 'sad'.⁸⁸ Mountbatten possessed

⁸⁴ Hayes to Seymour and Carton de Wiart, letter, 26 July 1945, WO 208/291.

⁸⁵ Dening to Foreign Office, telegram no.246, 4 December 1944, F5702/34/10, FO 371/41583. Cadogan lamented the air of suspicion that fomented between SEAC and CBI. Cadogan, minute, 14 December 1944, F5802/993/61, FO 371/41746.

⁸⁶ Mountbatten to Eden, letter, 26 November 1943, F757/757/61, FO 371/41739 and 'American Attitudes Toward the British', Office of War Information survey, 6 May 1943, A5721/32/45, FO 371/34117.

⁸⁷ Dening to Foreign Office, telegram no.87, 6 March 1945, F1417/127/61, FO 371/46325. See also Halifax to Foreign Office, telegram no.430, 2 May 1944, F2300/993/61, FO 371/41746, who reported from Washington that the Americans envisaged Britain in the most subordinate of roles in the war against Japan.

⁸⁸ Diary entries for 17 October 1942 and 1 August 1944 in Theodore White(ed.), *The Stilwell Papers* (London, 1949), pp.162, 286. On Stilwell, Dening wrote that 'We cannot have an

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great personal charm but was considered a lightweight by many senior generals and admirals, who resented his rapid rise to prominence. Under Mountbatten's command, American and British officers at SEAC argued over petty details and drew up endless operational plans that never came to fruition.⁸⁹ Major disagreements sprung from the American supposition, endorsed by Roosevelt and other leading figures such as Marshall, Admiral Ernest King, the American Chief of Naval Operations, and General Douglas MacArthur, Supreme Allied Commander, Southwest Pacific Area, that Britain was more interested in recovering its lost imperial territories than the primary purpose of defeating Japan.⁹⁰ Even Japanese propaganda began to capitalise on material from the American Press that suggested the British were trying to induce the United States to bear the brunt of the war against Japan.⁹¹ These impressions remained difficult to refute, especially in the shadow of American victories at Midway, Leyte Gulf, the Philippine Sea and Iwo Jima.⁹² As late as March 1945, when the British had defeated the Japanese Army at Mandalay and Meiktila, one Foreign Office official complained that: 'American treatment of our Burma campaign is a thorn in our flesh and an unfairly poisonous one'.⁹³ At the battle of Sittang in Burma in July 1945, the Japanese lost 17,000 men for the loss of only

American general fighting against us on our own territory'. Denning, minute, 23 February 1944, F993/993/61, FO 371/41746.

⁸⁹ Andrew Roberts, *Eminent Churchillians* (London, 1994), pp.71-75 and Thorne, *Allies of a Kind*, pp.335-338.

⁹⁰ See Earl of Avon, *Memoirs*, p.513; John Sbraga, *Anglo-American Relations and Colonialism in East Asia, 1941-1945* (New York, 1983); Louis, *Imperialism at Bay*; idem, 'American Anti-Colonialism and the British Empire', *International Affairs*, Vol.61, No.4 (Summer 1985), pp.395-420 and Michael Schaller, *Douglas MacArthur: The Far Eastern General* (Oxford, 1989), p.89. See also Denning, minute on conversation with Hurley, 5 April 1945, F2144/127/61, FO 371/46325 and Seymour to Sterndale Bennett, telegram no.354, 12 December 1944, F214/127/61, FO 371/46325.

⁹¹ Halifax to Foreign Office, telegram no.7, 14 September 1944, F4383/772/61, FO 371/41740; Sterndale Bennett, minute, 5 April 1945 F214/127/61, FO 371/46325 and Scott, minute, 13 January 1945, *ibid*.

⁹² Chinese newspapers such as the *Tao Kung Pao* reported that: 'the excessively slow attitude of the British is not in harmony with the active and dashing manner of the American forces'. See 'Chinese Press Criticisms of Failure to Launch Large Offensive by S.E.Asia Command', Stockley report, no.65, 14 March 1944, F1916/14/10, FO 371/41566.

⁹³ See Campbell, minute, 3 March 1945, F128/127/61, FO 371/46325 and Wallinger to Denning, letter, 7 August 1944, F4090/34/10, FO 371/41581.

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95 British lives. Burma represented the biggest defeat for the Imperial Japanese Army in 1945 and was the most protracted campaign fought by the British military in the Second World War.⁹⁴ Fortunately, Anglo-American tensions in SEAC waned by the middle of 1945. With the Japanese offensive faltering in China because of the necessity to redirect their forces to the north and Chinese east coast to meet possible threats from the Philippines and the Soviet Union,⁹⁵ the United States gradually scaled down their effort in the China-Burma region. With the ability to bomb the Japanese Islands from the Marianas Islands in November 1944 and Stalin's decision to enter the war against Japan, China no longer held the same importance for American strategists as it had done in 1942.⁹⁶

IV. The Development of British Strategic Policy for the Defeat of Japan

A. BREAKING THE DEADLOCK OVER A STRATEGY FOR JAPAN

Just one month after the British had surrendered Singapore to the Imperial Japanese Army, Charles Petrie wrote that: 'Not even at Saratoga and Yorktown, those ill-omened names on the pages of British history, was so much surrendered. [This] may be the first step in the collapse of an empire. In any event our whole imperial position has been jeopardised'.⁹⁷ At the time, most British officials saw the defeat at Singapore as a setback in a global war and certainly did not associate it with the end of British imperial rule on the Asian continent. Eden vehemently wrote in 1944 that there was 'not the slightest question of liquidating the British Empire'.⁹⁸ The problem for British planners in their

⁹⁴ See Louis Allen and David Steeds, 'Burma: The Longest War, 1941-45' in Dockrill(ed.), *From Pearl Harbor to Hiroshima*, pp.109-118; Louis Allen, *Burma: The Longest War, 1942-45* (London, 1984); idem, *Sittang: The Last Battle* (London, 1973); Raymond Callahan, *Burma, 1942-1945* (London, 1978) and S.Woodburn Kirby, *The War Against Japan, Vols.II-V* (London, 1957-1969).

⁹⁵ See 'Japanese Overall Strategy and its effect on Japanese Strategy in Southeast Asia', JIC(45)180, 31 May 1945, CAB 81/129 and S. Woodburn Kirby, *The War Against Japan, Vol.IV: The Reconquest of Burma* (London, 1965), p.228.

⁹⁶ Spector, *Eagle Against the Sun*, pp.369-372 and Dreyer, *China at War*, pp.280-282.

⁹⁷ Charles Petrie, 'The Lessons of Singapore', *Empire Review*, Vol.75 No.495 (April 1942), p.153.

⁹⁸ Eden, minute for Churchill, 8 January 1945, PREM 4/31/4.

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efforts to re-establish Britain's Asian Empire was that they were forced to work with few resources, in an unpopular theatre, against the strategic backdrop of the 'Germany-first' policy.⁹⁹ By 1944, British planning for Japan's defeat was considered to be at the same juncture as its plans for Germany between 1942 and 1943. Furthermore, the successful conclusion of the war against Germany still required Britain's active participation in Northwest Europe, the Mediterranean and the Arctic.¹⁰⁰ Strategic questions that arose in 1944 were predetermined by the need to protect the metropolitan centre from V-1 and V-2 attacks, the ability to defend local sea lines of communication and the necessity of securing Germany's final defeat.¹⁰¹

Nevertheless, 1944 did mark the beginning of efforts by Whitehall to develop a long-term strategy for the defeat of Japan. Overlord and Soviet advances into Eastern Europe had now brought forth the possibility of an end to the war against Germany. This allowed Churchill, the Foreign Office and the Chiefs of Staff to focus their attention on the release of resources from Europe and how best to use them in the war against Japan. A debate emerged that took shape in two forms. Churchill, Eden and the Foreign Office wanted British forces to advance upon north Sumatra towards Singapore, in an operation code named Culverin. To Churchill, Singapore was the 'supreme British objective' and its recapture was the only prize that could restore British imperial prestige and maintain Britain's world power status.¹⁰² This was reinforced by Churchill's fear that if the Americans recaptured British territories they might demand the dominating say in

⁹⁹ Allen, 'The Campaigns in Asia and the Pacific', p.163; Mountbatten's arguments in 'Future Conduct of Far Eastern Policy', Clarke memorandum, 13 January 1944, F757/757/61, FO 371/41739 and 'Public Attitudes to the Far Eastern War and Japan', Ministry of Information home intelligence special report, 11 July 1944, F4093/208/23, FO 371/41804.

¹⁰⁰ Scott, minute, 16 August 1944, F2550/127/10, FO 371/41607 and Andrew Lambert, 'Seizing the Initiative: The Arctic Convoys 1944-45', in N.Rodger(ed.), *Naval Power in the Twentieth Century* (Oxford, 1996), pp.151-162.

¹⁰¹ Churchill, minute, COS(44)266(0), 8 August 1944, PREM 3/149/7.

¹⁰² Churchill, *The Second World War, Vol.VI*, p.146; Eden, minute for Churchill, 21 February 1944, F1040/100/23, FO 371/41795 and Cadogan, minute, 18 February 1944, F1040/100/23, FO 371/41795.

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their future.¹⁰³ Both Churchill and the Foreign Office's political adviser at SEAC firmly believed that Culverin would have immediate psychological and political effects, by not leaving the Japanese unassailed in the Southeast Asian region.¹⁰⁴ Consequently, Mountbatten and his staff, despite strong protests from Stilwell, decided to press for Culverin.¹⁰⁵ Lacking adequate intelligence on Japanese troop strength in Malaya and Sumatra, and in view of American opposition to British imperialism, the Chiefs of Staff strongly disagreed with the concept of Culverin. From a Commonwealth point of view, the Chiefs of Staff thought it would be desirable to send land and air forces to operate with the Australians in their advance on MacArthur's flank towards the Philippines and Formosa.¹⁰⁶ Hoping for the continuation of the Combined Chiefs of Staff in the postwar period, the Chiefs of Staff saw the United States as an ally to be supported, arguing that British imperial possessions could be recovered after the defeat of Japan.¹⁰⁷ By the spring of 1944, in a heated exchange of notes, tensions began to rise between Churchill and the Chiefs of Staff.¹⁰⁸ No less interested in maintaining Britain's position as world power of the first rank, the Chiefs of Staff were animated by the possibilities of substantially shortening the war and recognised that the Pacific was the decisive theatre. The Chiefs

¹⁰³ Churchill, minute for Eden, 31 December 1944, PREM 4/31/4. Mountbatten had heard Hurley tell one British official that: 'unless the British reconquered Singapore by themselves, he did not think the Americans would agree to give it back to us at the peace table!!!' Mountbatten to Somerville, letter, 14 November 1944, SMVL 9/2, Somerville papers, CAC.

¹⁰⁴ Churchill, *The Second World War, Vol V*, p.506 and 'Political Implications of Far Eastern Strategy', Denning memorandum, 17 February 1944, F1040/100/23, FO 371/41795.

¹⁰⁵ Rees, *The Defeat of Japan*, pp.57-58.

¹⁰⁶ See Mark Jacobsen, 'Winston Churchill and the Third Front', *The Journal of Strategic Studies*, Vol.14 No.3 (September 1991), p.350 and John Ehrman, *Grand Strategy, Vol V*, pp.439-440, 461-465.

¹⁰⁷ See Alanbrooke, minute, COS(44)79(O), 13 March 1944, CAB 79/89. On the Chiefs of Staff's desire to maintain the Combined Chiefs of Staff system see 'Report on COS(44)51', Jebb, minute, 19 February 1944, U1751/748/G, FO 371/40740.

¹⁰⁸ Churchill, minute for Alanbrooke, 20 March 1944, 14/20, Alanbrooke papers, KCL and Alanbrooke to Dill, letter, 30 March 1944, 14/22, Alanbrooke papers, KCL.

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MAP FOUR: SOUTHEAST ASIA AND THE INDIAN OCEAN, 1944-1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.IV: The Reconquest of Burma* (London, 1965).
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warned Churchill that if Germany was still fighting at the end of 1944, Culverin would be out of the question unless the Americans were prepared to lend Britain large resources for it.¹⁰⁹

Roosevelt was not enthralled with Culverin, the main objection being the immensity of resources such an operation would require. The Americans told Mountbatten in March 1944 that they wanted him to help capture upper Burma, in order to build up air strength in China and ensure the essential support for the westward advance to the Formosa-China-Luzon area.¹¹⁰ Churchill's affiliation to Culverin, tended to reinforce American assumptions that Britain had no concern for their China strategy while attempting to gain a position of postwar imperial advantage.¹¹¹ However, the arguments put forward by the Chiefs of Staff led to a firm American conviction that MacArthur's position in the Southwest Pacific would be undermined.¹¹² As the summer of 1944 approached, Ismay tried to persuade the Chiefs of Staff that a third strategy or 'middle course' was possible. This would involve a British-Dominion advance from Australia to North Borneo that could assist in the main operations against Japan or push south-westwards to recapture Malaya and Singapore.¹¹³ Ismay worried that the uncertainty in British strategy would provoke a reaction that: 'will be so terrific that it will be appallingly hard to keep the nation well into the collar for the Japanese affair'.¹¹⁴ Britain's commanders in Asia had already warned that British troops were 'looking over their shoulder' waiting for the defeat of Germany in the belief that this meant they could return home.¹¹⁵

¹⁰⁹ COS, minute for Churchill, 28 March 1944, 14/21, Alanbrooke papers, KCL.

¹¹⁰ Churchill, *The Second World War, Vol.V*, pp.506-507.

¹¹¹ Howard, *Grand Strategy, Vol.IV*, p.542.

¹¹² See 'British Participation in the War against Japan', memorandum by the United States COS, 8 September 1944, *FRUS: Conference at Quebec, 1944* (Washington, 1972), pp.257-260.

¹¹³ Ismay to Pownall, letter, 27 May 1944, IV/Pow/4/2, Ismay papers, KCL.

¹¹⁴ Ismay to Auchinleck, letter, 27 July 1944, IV/Con/1/1G, Ismay papers, KCL.

¹¹⁵ 'Morale and the War Against Japan', Amery memorandum, WP(43)232, 5 June 1943, CAB

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At a Defence Committee meeting on 6 July 1944, it appears that Eden began to move towards the idea of employing British forces alongside MacArthur's advance. Although he had favoured Culverin, Eden was prepared to accept the Chiefs of Staff's military advice that the proposed operation into north Sumatra was beyond Britain's strength. Eden recalled that: '[Churchill] kept muttering that resources were available, but produced no evidence and ended up by accusing us all of trying to corner the Prime Minister'.¹¹⁶ Eden was attracted by the fact that the Chiefs of Staff plan provided the nucleus of an imperial force upon which Britain could build. He also considered that since Culverin was remote from the centre of conflict with Japan, if Britain could not see it through, the Americans would conclude that British forces had played virtually no part in the defeat of Japan.¹¹⁷ Eden's *volte face* on strategy undoubtedly sprang from his concern that British power *vis-à-vis* the United States might be severely diminished in Asia and at the peace table, if Britain pursued the wrong policy. It was an important shift that helped the British to finally compromise on a coherent strategy for the war against Japan.

As the Defence Committee convened on 10 August 1944, Mountbatten, since his failure to obtain from the Americans the resources for Culverin and recent success on the battlefield at Kohima and Imphal, proposed a strategy for an amphibious landing at Rangoon. Churchill, Eden and the Chiefs of Staff backed this plan because it avoided a long arduous campaign in the north of Burma. Meanwhile, the Defence Committee fully endorsed the decision to build up a naval task force for the Pacific.¹¹⁸ Mountbatten's

66/37; Wavell, minute, WM(43)61, 29 April 1943, CAB 65/38 and Mountbatten to Eden, letter, 26 November 1943, F757/757/61, FO 371/41739.

¹¹⁶ Earl of Avon, *Memoirs*, pp.461-462. Even when Churchill had accepted that a full-scale Culverin could not be launched he still proposed the capture of Simalur, an island west of north Sumatra, to act as an air base to support future operations into Malaya See Ehrman, *Grand Strategy, Vol.V*, pp.421-487 and Mark Jacobsen, 'Winston Churchill and the Third Front', pp.337-362.

¹¹⁷ Earl of Avon, *Memoirs*, p.462.

¹¹⁸ A British Pacific fleet did not depend on the defeat of Germany. Naval forces were already available. Jacobsen, 'Winston Churchill and the Third Front', pp.353-354 and Ehrman, *Grand*



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plan, operation Dracula, was accepted by the American Joint Chiefs of Staff, so long as it did not prejudice the security of the existing air supply route to China, including the air staging post at Myitkyina. Roosevelt also welcomed the presence of a British fleet in the Pacific.¹¹⁹ The American Secretary of State, Cordell Hull, had already warned Roosevelt that if Britain was prohibited from playing a substantial role in the defeat of Japan, regional postwar collaboration and harmonious economic ties would be severely compromised.¹²⁰ Henceforth, Mountbatten's strategy allowed the British to embark on an offensive against the Japanese in Burma, supporting Churchill's and the Foreign Office's policy of actively recovering territory. A strong fleet enabled the British to take part in operations throughout the Pacific, falling in line with the Chiefs of Staff's strategy, and hoped to quell American suspicions that Britain was not interested in the rapid defeat of Japan. Henceforth, at the Quebec conference in September 1944, the Anglo-American powers agreed to an overall strategy for the defeat of Japan by:

1. Lowering Japan's ability and will to resist by establishing sea and air blockades, conducting air bombardment, and destroying Japanese air and naval strength.
2. Invading and seizing objectives in industrial heart of Japan.

The Combined Chiefs of Staff at Quebec also set the planning date for the defeat of Japan as 18 months after the defeat of Germany. It showed that the allies were preparing for a long struggle against Japan. An agreed overall strategy for the defeat of Japan was essential for the British, especially as the United States had begun to step up its offensive, scoring an important naval victory at the battle of the Philippine Sea in June 1944. The

Strategy, Vol.V, pp.493-504.

¹¹⁹ For detailed accounts of the battles at Imphal and Kohima see S.Woodburn Kirby, *The War Against Japan*, Vol.III: *The Decisive Battles* (London, 1961), pp.297-361 and Allen, *Burma*, pp.191-315.

¹²⁰ Lend Lease and General Economic Relations with the United Kingdom in "Phase 2", Hull memorandum for Roosevelt, 8 September 1944, *FRUS*, 1944, Vol.III, pp.53-56.

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British could now stake their claim in the main operations and attempt to recover their prewar imperial position in Asia.¹²¹

B. THE ALLIED STRATEGY TO DEFEAT JAPAN

The allies had hoped to start moving resources to Asia by the end of 1944 but with the failure of operation Market Garden at Arnhem in September, Germany would not be beaten before the winter.¹²² The setback at Arnhem immediately removed resources for Dracula.¹²³ The landing craft needed for Dracula were now earmarked for operations on the Scheldt, while an airborne division due to arrive in Asia was held back after the allies failed to turn the northern flank of the Siegfried Line. Firm German resistance in Italy on the Gothic Line also held up the transfer of British-Indian divisions to the Asian-Pacific region.¹²⁴ After Germany launched its Ardennes offensive in the winter of 1944-1945, even the American Joint Chiefs of Staff found it necessary to divert two infantry divisions to Europe, which had been originally scheduled for the Pacific in May 1945.¹²⁵ These drawbacks in Europe came at a time when clearing the Japanese from Eastern and Southeast Asia still presented immense difficulties for the allies, while an invasion of Japan was viewed with extreme foreboding. American and British planners indicated that the Japanese continued to reinforce the home islands, giving the impression that the

¹²¹ See Ehrman, *Grand Strategy, Vol.V*, pp.498-524; Rees, *Defeat of Japan*, p.67 and Jacobsen, 'Winston Churchill and the Third Front', pp.354-357. For an in-depth narrative of the second Quebec conference see 'OCTAGON: Record of Proceedings on board ss."Queen Mary" and at Quebec between 5th and 20th September, 1944', COS(44)575(0), 9 October 1944, CAB 99/29.

¹²² The American I and III Armies had already been halted at Aachen, the Ardennes, Metz and south of Nancy. See Ehrman, *Grand Strategy, Vol.V*, pp.377-403, 524-533.

¹²³ Churchill's decision to postpone operation Dracula can be found in Churchill, minute, COS(44)324(0), 2 October 1944, PREM 3/149/8.

¹²⁴ Churchill to Mountbatten, telegram no.T1847/4, 30 September 1944, PREM 3/149/8 and Ehrman, *Grand Strategy, Vol.V*, p.533.

¹²⁵ Charles Brower, 'Sophisticated Strategist: General George A.Lincoln and the Defeat of Japan, 1944-45', *Diplomatic History*, Vol.15 No.3 (Summer 1991), p.324.

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country was ready to fight to a bloody finish.¹²⁶ Such assessments were not disputed, especially after the bitter battle for Okinawa between March and June 1945.¹²⁷

A major problem for allied strategists was how to achieve the defeat of Japan in the shortest possible time. The spectacle of a long drawn out war over many years haunted the American Joint Chiefs of Staff throughout 1944 and 1945.¹²⁸ The solution for Truman was to approve General Marshall's plan for a two-phase invasion of Japan, attacking Kyushu in November 1945, operation Olympic, and Honshu four months later, operation Coronet.¹²⁹ The British JIC and American Joint Staff Planners estimated that before Olympic would be launched, the Japanese would have 96 divisions available for the defence of Japan, Korea and north China.¹³⁰ To face this force, the Joint Staff Planners noted that the United States and the Soviet Union could put 91-96 divisions into the field.¹³¹ Despite naval and air superiority, Marshall calculated that the Japanese would only surrender in the late autumn of 1946.¹³² Japan's determination to resist well into 1946 is a contentious one. Although, on the 8 June 1945, the Imperial Conference endorsed the Japanese Army's decision to fight to the last, Emperor Hirohito, Foreign

¹²⁶ Marshall told Eden that the Japanese were bringing divisions back from Korea and Manchuria and had about 25 divisions in Japan, though of varying quantity. Earl of Avon, *Memoirs*, pp.530-531 and 'Japanese Intentions and War Making Capacity', JIC(45)219(0), 2 July 1945, CAB 81/130; intelligence diplomatic summary, No.9, 6-11 May 1945, HW10/1 and intelligence diplomatic summary, No.17, 14-16 June, *ibid*.

¹²⁷ Attlee, minute, COS(45)169, 4 July 1945, PREM 8/29. Between March and June 1945 Allied forces had fought a savage battle against the Japanese at Okinawa. Japanese dead on Okinawa numbered 70,000, along with at least 80,000 Okinawans. United States Army and Marine losses amounted to some 7,000 killed. The American naval casualties amounted to approximately 5,000 killed and 5,000 wounded. Spector, *Eagle Against the Sun*, p.540.

¹²⁸ Brower, 'Sophisticated Strategist', p.322.

¹²⁹ See memorandum by secretary of JCS, 18 June 1945, *FRUS, 1945: The Conference of Berlin, The Potsdam Conference, 1945, Vol.I*(Washington, 1960), p.903 and Harriman and Abel, *Special Envoy*, p.491.

¹³⁰ 'Japanese Strategy and Capacity to Resist', JIC(45)136(0)(Final), 28 April 1945, CAB 81/128; 'Details of the Campaign Against Japan', JSP memorandum, JCS 1388/4, 11 July 1945, RCJS: 1941-1945, MF 146, KCL and 'Possible Russian Participation in the War Against Japan', JP(45)140(Final), 10 July 1945, F4445/1057/23, FO 371/46462.

¹³¹ Rees, *The Defeat of Japan*, pp.69, 98, 119-120.

¹³² Marshall told Eden that he also felt that the Soviets would experience heavy losses once they entered the war in north China and Manchuria. Earl of Avon, *Memoirs*, p.531.

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Minister Togo, Navy Minister Yonai and many Japanese overseas diplomats sought ways in which to end the war.¹³³ American submarine operations had, by the summer of 1945, reduced Japanese shipping to 1.2 million tons, a figure, according to the JIC, that was totally inadequate to maintain Japan's imports of food and raw materials from the Asian continent. In five of Japan's leading cities, strategic bombing had also burnt to the ground some 83 square miles and left 1.19 million houses destroyed.¹³⁴ However, in the face of declining Japanese morale there were still concerns about the price of surrender amongst Japan's officials, such as the future of the Imperial system, and except for Yonai, the military, with strong influence from its middle-echelon officers, was determined to fight to the end. Meanwhile, the leader of Japan from April 1945, Admiral Kantaro Suzuki, although aware that Hirohito desired an end to the war, also made a series of statements that Japan must battle on.¹³⁵

The cardinal problem for the British JIC was their belief that the allied insistence on unconditional surrender would make it difficult for any Japanese Cabinet to adopt a policy of peace.¹³⁶ During the last months of the war against Japan, controversy had emerged over the issue of unconditional surrender. A group of Republican leaders, headed by Senator Capehart, contended in July 1945 that unconditional surrender was not the best weapon for ensuring Japan's defeat.¹³⁷ British Foreign Office officials agreed,

¹³³ Robert Butow, *Japan's Decision to Surrender* (Stanford, 1954), pp.96-102; Ian Nish, 'Preparing for peace & survival: the Japanese experience 1943-46', *Annual Lecture* (Liddell Hart Centre for Military Archives, 4 November 1996), p.3; Akira Iriye, 'East Asia and the Emergence of Japan, 1900-1945' in Howard and Louis(eds.), *The Oxford History of the Twentieth Century*, p.149; John Dower, *Empire and Aftermath: Yoshida Shigeru and the Japanese Experience, 1878-1954* (Cambridge, Mass, 1979), pp.258-259 and Lawrence Freedman and Saki Dockrill, 'Hiroshima: A Strategy of Shock' in Dockrill(ed.), *From Pearl Harbor to Hiroshima*, p.201.

¹³⁴ A fire-raid on Tokyo between 9 and 10 March 1945 had killed 83,000 and wounded 40,000. See 'Japanese Intentions and War Making Capacity', JIC(45)219(0), 2 July 1945, CAB 81/130: Rees, *The Defeat of Japan*, pp.103-109 and Freedman and Dockrill, 'Hiroshima', p.203

¹³⁵ Suzuki was possibly fearful of assassination but also may have envisaged a peace that was not at all consistent with what the allies wanted. See Butow, *Japan's Decision to Surrender*, p.71.

¹³⁶ 'Japanese Strategy and Capacity to Resist', JIC(45)136(0)(Final), 28 April 1945, CAB 81/128. See also 'The Japanese Attitude to Unconditional Surrender', JIC(45)204(0)(Final), 27 June 1945, CAB 81/129.

¹³⁷ See Halifax to Foreign Office, telegram no.4754, 8 July 1945, F4212/325/10, FO371/46227.

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sensing that the term 'unconditional surrender' was a hopeless slogan. Linton Foulds in the Far Eastern Department at the Foreign Office felt that a military occupation could not 'be more repulsive for a people brought up to believe that their country was divinely created for their own peculiar use'.¹³⁸ These views, receiving widespread support in Whitehall, hoped that unconditional surrender would not categorically imply a demand for the abolition of the Imperial system.¹³⁹ British officials were supported by American figures such as Stimson and Grew, ^{and the latter, even during the Roosevelt administration,} held that the retention of Emperor Hirohito could save thousands of American lives. This course of action, however, would be continually frustrated by Truman's Secretary of State, James Byrnes, and the American military. The latter maintained that only a decisive battlefield engagement would convince Tokyo to surrender. Byrnes, a long time leader in Congress, was convinced that a retreat from unconditional surrender could have devastating consequences for Truman, since the vast majority of the public was still opposed to the retention of the Emperor.¹⁴⁰ ^{Truman himself remained reluctant to change the wording of unconditional surrender and} the mood of the American public effectively thwarted any initiative by the Foreign Office to press home their concerns about unconditional surrender because it feared that Britain would be accused by the United States of wanting a soft peace for Japan.¹⁴¹

After Germany's collapse in May 1945, with a modification of the allied surrender terms unrealisable and the prospect of Japan's military ready to fight to the last, the British prepared for operations on all fronts against the Japanese. Japan's stiff opposition had also made the Americans more receptive to British plans for Pacific forces.¹⁴² Consequently, the Chiefs of Staff now aimed to strengthen the British Pacific fleet and

¹³⁸ Foulds, minute, 10 November 1944, F5234/94/23, FO371/41793.

¹³⁹ De la Mare, minute, 7 July 1945, F4058/584/61, FO 371/46346.

¹⁴⁰ Grew to the Secretary of State, 3 January 1945, *FRUS, Vol.VI: The British Commonwealth, The Far East, 1945* (Washington 1969), p.516 and Schaller, *The American Occupation of Japan*, pp.9-10.

¹⁴¹ De la Mare, minute, 17 July 1945, F4783/364/23, FO 371/46447. See Buckley, *Occupation Diplomacy*, chp.1 for a survey of the debate between the American and the British over the adoption of a hard or soft peace for Japan. ^{See also McCullough, Truman, 425}

¹⁴² John Ehrman, *Grand Strategy, Vol.VI: October 1944-August 1945* (London, 1956), p.220.

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deploy a strategic bombing force that would coincide with operations Olympic and Coronet.¹⁴³ Despite the Americans granting a base at Okinawa for 10 heavy bomber squadrons,¹⁴⁴ the Chiefs of Staff recognised that a British role in the bombing of Japan was more to do with the political aspect of being actively involved in the main operations against Japan than any purely military considerations.¹⁴⁵ In June 1945, American raids on Japan involving 500 or 600 B29 strategic bombers were common.¹⁴⁶ For the Chiefs of Staff, the use of a British bomber force and the Pacific fleet would also ensure an influential voice for Britain at the peace table.¹⁴⁷ However, to reassure the Americans of Britain's resolution to share in the heavy cost of an invasion of Japan, planners for the Chiefs of Staff proposed that a British Commonwealth force of 3 to 5 divisions could be formed to take part in Coronet.¹⁴⁸ If this proposal was accepted, the Joint Planning Staff contentiously lobbied for the establishment of a Combined Chiefs of Staff system. They argued that once Britain had opened the Straits of Malacca, there would be no geographical division between SEAC and the Pacific. All operations against the Japanese would form one strategic concept.¹⁴⁹

These ambitions inaugurated another heated debate within Whitehall over the effective strategy to be pursued for the defeat of Japan. The Chiefs of Staff argued that once Singapore had been captured, priority should be given to the creation of a

¹⁴³ 'Manpower-Answer to Prime Minister's Directive', JP(45)108(Final), 2 May 1945, CAB 79/33 and COS minutes, COS(45)117, 4 May 1945, *ibid*.

¹⁴⁴ 'British Participation in VLR Bombing of Japan', CSA(45)98(0), 11 June 1945, CAB 79/35. See also Probert, *The Forgotten Air Force*, pp.291-295. These bases would also have had to be self-contained, providing their own airfields and installations, ports, roads and pipelines. Churchill, *The Second World War, Vol.VI*, pp.543-544.

¹⁴⁵ Portal, minute, COS(45)103, 19 April 1945, CAB 79/32 and 'British Participation in VLR Bombing of Japan', JSP memorandum, JCS 1120, 19 October 1944, RCJS: 1941-1945, MF 145, KCL.

¹⁴⁶ Rees, *The Defeat of Japan*, p.109.

¹⁴⁷ Cunningham, minute, COS(45)103, 19 April 1945, CAB 79/32.

¹⁴⁸ 'Draft Minute to the Prime Minister', Annex to 'War Against Japan - British Proposals', JP(45)157(Final), 28 June 1945, F4236/69/23, FO 371/46440.

¹⁴⁹ 'War Against Japan - British Proposals', JP(45)157(Final), 28 June 1945, F4236/69/23, FO 371/46440.

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Commonwealth invasion force, on the assumption that the occupation of Japan itself would lead to the speedy collapse of resistance in the outer areas. The Chiefs of Staff did not want to divert resources for mopping up operations in Southeast Asia.¹⁵⁰ Officials at the Foreign Office reacted cautiously to these suggestions. They thought that British participation in Coronet was completely dependent upon the punctual capture of Singapore, operation Zipper. Any delay would prevent Britain from making available the forces it had offered. The most serious objection from the Foreign Office's point of view was the inevitable curtailment of operations in SEAC through a lack of personnel shipping, assault lift and administrative troops.¹⁵¹ Cut off from the rest of Japan's Empire, the strategic value of the Japanese Southern Army had greatly diminished by December 1944 after the loss of Leyte in the Philippines.¹⁵² Still, despite the inadequacy of Japanese forces in Southeast Asia, through lack of munitions and replacements of men, staff planners at SEAC and the JIC anticipated that the Japanese would attempt to delay the advance of the British for as long as possible, in Burma, Malaya, Indo-China and Siam.¹⁵³ This analysis proved correct. In an effort to divert allied resources away from the homeland, the Japanese ordered a division from Sumatra to reinforce Siam and a division from Celebes to reinforce Singapore. In March 1945, the Japanese also assumed military control of Indo-China from the Vichy regime and reinforced the French colony with 3 divisions.¹⁵⁴ Even when the British reached Rangoon in May 1945,

¹⁵⁰ Portal, minute, COS(45)124, 11 May 1945, CAB 79/33 and Cunningham, minute, COS(45)124, 11 May 1945, *ibid.*

¹⁵¹ 'British Participation in the Far Eastern War', Allen, minute, 29 June 1945, F4236/69/23, FO 371/46440.

¹⁵² The Japanese plan for the defence of the Philippines had failed by October 1944. Japanese naval losses at Leyte Gulf had been crippling. Japan had lost 1 heavy cruiser, 3 light carriers, 3 battleships, 10 cruisers and 9 destroyers. More than 10,000 Japanese sailors had been killed and it witnessed the end of the Japanese Navy as a coherent fighting force. Rees, *The Defeat of Japan*, p.50.

¹⁵³ 'The Effect of Current Operations in Burma and Operations Against Conrad on Japanese Strategy in South-East Asia', SAC(45)10/1(0), 27 March 1945 in JIC(45)113(0), 3 April 1945, CAB 81/128.

¹⁵⁴ 'Japanese Intentions and War Making Capacity', JIC(45)219(0), 2 July 1945, CAB 81/130.

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the JIC, in line with Marshall's earlier pessimistic calculations, argued that it would take at least another twelve months to force a collapse of Japan's position in Southeast Asia.¹⁵⁵

This JIC estimate coupled with domestic events exacerbated the Foreign Office's concerns about the British war effort in SEAC. On the 23 May 1945, the British coalition government had dissolved itself in preparation for a general election in July. The fight for political advantages led the intervening caretaker government to announce the release of long-service combat personnel while the War Office reduced the length of its overseas tour by four months to three and quarter years. These measures removed 2 divisions from SEAC and damaged the morale of British forces in the Asian-Pacific region because of an anxiety that by the time they returned home, there would be a shortage of jobs.¹⁵⁶ Such considerations led the Foreign Office to recoil from the idea of British military participation in the final assaults on Japan. The Foreign Office wondered if involvement in Coronet was the most *rapid* way of bringing the war to an end for the British. The head of the Far Eastern Department feared that: 'after the main excitement was over, the British would be left with a difficult and prolonged mopping-up process in Southeast Asia in which Britain's material interests are greatest'. Sterndale Bennett felt that there was unlikely to be any American support for this mopping-up while delays could have an unfavourable reaction on British prestige.¹⁵⁷ By 1945, world grain was

Mountbatten reported to the Defence Committee that for operation Zipper, he still needed a reinforcement of light fleet carriers because of the vulnerability to suicide bombers and warned that the British were only likely to have a superiority of eight to five over the Japanese in the strength of forces. Mountbatten, minute, DO(45)2, 8 August 1945, F5740/69/23, FO 371/46441. Despite the estimated use of up to 800 aircraft for *Kamikaze* attacks, many were still in Java and concentration would have been difficult. See Kirby, *The War Against Japan, Vol.IV*, pp.226, 229-230 and idem, *The War Against Japan, Vol.V: The Surrender of Japan* (London, 1969), pp.91-92.

¹⁵⁵ 'Japanese Strategy and Capacity to Resist', JIC(45)136(0)(Final), 28 April 1945, CAB 81/128. See Kirby, *The War Against Japan, Vol.IV* for a detailed study of Britain's advance on Rangoon.

¹⁵⁶ If it had been necessary to carry out Zipper against determined opposition, these reductions in strength might have had serious repercussions, for even the unopposed landings in September 1945 ran into considerable difficulties. See Kirby, *War Against Japan, Vol.V*, pp.83-92, 426.

¹⁵⁷ Sterndale Bennett, minute, 29 June 1945, F4236/69/23, FO 371/4644; 'British Participation in the War Against Japan', COS(45)423(0), 30 June 1945 and Sterndale Bennett, minute, 3 July 1945, F4056/69/23, FO 371/46440.

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already in short supply. With Burma, Indo-China and Siam forming the main rice producing areas of the world, averaging a pre-war exportable surplus of some 6 million tons, the control of rice supplies would be a fundamental stabilising influence throughout Asia.¹⁵⁸ Consequently, a continued disruptive Japanese presence in Southeast Asia would be disastrous, if the return of the British was associated with postwar famine.¹⁵⁹ Continual American criticism of Britain's role in the war against Japan also left Sterndale Bennett with the uneasy feeling that Britain might not receive the degree of credit which *prima facie* it might be justified in expecting. Finally, British concern over American postwar plans for Japan, led the head of the Far Eastern Department to conclude that: 'it may not be wise for us to take more than a token share [in the assault on Japanese homeland] if we fail to move the Americans from their insistence on total occupation and total control of Japan'.¹⁶⁰

Dismissing Sterndale Bennett's fears, General Alanbrooke, the Chief of the Imperial General Staff, pressed on with his demand for a more prominent British role in the Pacific. At the Potsdam conference in July 1945, he wrote that: 'We want a greater share in the control of this strategy in the Pacific'.¹⁶¹ Alanbrooke's call for a European style Combined Chief of Staff proved totally unrealistic. The Foreign Office were sure that the Americans would strongly object. One official realised that the Americans were bound to take the lead in the Pacific, in view of their very much larger contribution. He concluded that: 'we shall never be in a position to criticise effectively any strategy they propose, because we have not the requisite knowledge of the operational possibilities'.¹⁶² This

¹⁵⁸ 'British Part in the Final Phase of the War Against Japan', JP(45)69(Final), 8 May 1945, CAB 84/70.

¹⁵⁹ Nicholas Tarling, *Britain, Southeast Asia and the Onset of the Cold War, 1945-50* (Cambridge, 1998), pp.45-46.

¹⁶⁰ Sterndale Bennett, minute, 29 June 1945, F4236/69/23, FO 371/46440.

¹⁶¹ Diary entry for 17 July 1945 in Alanbrooke diary, 9 May 1945 to 23 December 1945, 5/11, Alanbrooke papers, KCL.

¹⁶² Allen, minute, 1 July 1945, F4058/69/23, FO 371/46440.

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reasoning proved accurate as the Americans made it perfectly clear that they were extremely unwilling to entertain a command system in the Pacific similar to the one in Europe.¹⁶³ It was Alanbrooke's colleague, Sir Charles Portal, the Chief of Air Staff, who eventually recognised the improbability of a dominant say in Pacific operations. On 7 August 1945, Portal reported to the Cabinet that Britain's strength in first line aircraft would roughly equal about 8 per cent of the total Anglo-American strength, concluding that: 'we should not therefore be in a position to claim effectively to influence decisions as regards operations'.¹⁶⁴

When the British government did accept MacArthur's offer of a British Commonwealth corps, that included a division each from Britain, Australia and Canada, the incoming British Prime Minister, Clement Attlee, knew this decision was primarily political. Attlee, siding with arguments from the Foreign Office, told members of the Defence Committee in August 1945, that he remained more concerned about mopping-up operations after the defeat of Japan.¹⁶⁵ Attlee's new Foreign Secretary, Ernest Bevin, also felt that: 'owing to the Commonwealth divisions being completely equipped from American sources, there was a great danger of our identity being lost with so small a force in so large an operation'.¹⁶⁶ The British Pacific fleet, for example, with a strength of 4 aircraft carriers, 2 battleships, 5 cruisers and 14 destroyers, was the largest force put together by the British Commonwealth in the Second World War. However,

¹⁶³ 'Control and Command in the War Against Japan', memorandum by United States COS, CCS 890/1, 17 July 1945, CAB 88/38.

¹⁶⁴ Portal, minute, CM(45)18, 7 August 1945, CAB 128/1.

¹⁶⁵ See 'British Participation in the War Against Japan: General MacArthur's Proposal', JP(45)179(Final), 31 July 1945, CAB 84/73 and Attlee, minute, DO(45)2, 8 August 1945, F5023/69/23, FO 371/46440.

¹⁶⁶ To rectify this problem, Bevin thought it was necessary to take steps to emphasise the part that Britain was playing in the Japanese war and enquired what steps had been taken to ensure the right publicity had been given to our contribution. Bevin, minute, DO(45)2, 8 August 1945, F5023/69/23, FO 371/46440. In line with the general trend of Britain's indifferent attitude towards the war against Japan, Alanbrooke replied that no steps had yet taken place. Alanbrooke, minute, DO(45)2, 8 August 1945, F5023/69/23, FO 371/46440.

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the expansion of the United States Navy after Pearl Harbor had been so huge that the British Pacific fleet was only equivalent in strength to a Task Force within the United States Fifth fleet.¹⁶⁷ Conscious of Britain's declining power in East Asia, when Japan surrendered on the 15 August 1945, Sterndale Bennett emphatically pronounced that: 'the Americans are claiming that they won the war "in the Pacific" practically single-handed'.¹⁶⁸

V. Postwar Planning for a Defeated of Japan

When Esler Denning reviewed the state of British postwar planning for Asia in August 1944, he was left despondent. He wrote to the head of the Far Eastern Department at the Foreign Office that: 'my fear is that we shall not be ready for the great many things which...will be of direct concern to the South East Asia Command, and the legacies of which we civilians will have to inherit'.¹⁶⁹ Eight months earlier, Eden had issued a directive to re-establish the Far Eastern Committee (FEC).¹⁷⁰ This move was designed to help the co-ordination of postwar planning with the United States, but it was not until November 1944 that the FEC's first meeting took place, illustrating the low priority it received within the confines of Whitehall.¹⁷¹ The relative failure of the FEC to achieve its principal objective was demonstrated in May 1945, by a confession from Sir Orme Sargent, the deputy under-secretary at the Foreign Office, that he was 'getting somewhat anxious from the political point of view at the absence of any planning here and consultation with the Americans about the treatment of Japan after her defeat'.¹⁷² One

¹⁶⁷ See Calvocressi, Wint and Pritchard, *Total War, Vol.II*, pp.569-570; John Winton, *The Forgotten Fleet* (London, 1969) and Arthur Marder, *Old Friends, New Enemies: The Royal Navy and the Imperial Japanese Navy, Vol.II: The Pacific War* (Oxford, 1990).

¹⁶⁸ Sterndale Bennett, minute, 20 August 1945, F5023/69/23, FO 371/46440.

¹⁶⁹ Denning to Sterndale Bennett, letter, 26 August 1944, F4234/295/10, FO 371/41627.

¹⁷⁰ Mountbatten's proposals were summarised in 'Future Conduct of Far Eastern Policy', Clarke memorandum, 13 January 1944, F757/757/61, FO 371/41739.

¹⁷¹ The FEC had been disbanded in December 1941 after the Japanese thrust into Asia and the Pacific. See Eden, minute, 18 January 1944, F757/757/61, FO 371/41739.

¹⁷² Sargent to Ismay, letter, 9 May 1945, F1834/364/23, FO 371/46447.

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month after Germany had been defeated, the Foreign Office anticipated that real progress on postwar Asian-Pacific issues had to await the assembly of the necessary staff now beginning to slowly arrive.¹⁷³

British planning for a defeated Japan was dictated particularly by the British priority to plan for the defeat of Germany first and the prolonged debates over Asian-Pacific strategy.¹⁷⁴ These impediments were compounded by two other factors. The first was a complete lack of collaboration between relevant departments in Whitehall to prepare for the implications of Japan's surrender. Hence no single policy was pursued but rather an aggregation of policies, particularly for Southeast Asia. As late as June 1945, Sterndale Bennett noted that although the Foreign Office consulted the India, Burma and Colonial Offices on foreign affairs issues which may have repercussions in their spheres, the converse was not true.¹⁷⁵ The second problem was Churchill's obstructive attitude to any form of postwar planning which resulted directly from his unwavering desire to concentrate on winning the present war.¹⁷⁶ This indifference to postwar planning meant that by the time Japan surrendered in August 1945, Britain's ideas had barely surpassed basic concepts. Indeed, early forays into post-war assumptions had been extremely tentative. In November 1942, the British Military Sub-Committee,¹⁷⁷ simply presumed

¹⁷³ 'Organisation for Dealing with Far Eastern Affairs', Sterndale Bennett memorandum, 8 June 1945, F3943/149/61, FO 371/43628.

¹⁷⁴ In 1943, the head of the Far Eastern department, Ashley Clarke, believed it was 'too soon yet' to set up a committee on Asian-Pacific affairs and concluded that: 'I hardly think that a planning committee will be able to take useful decisions until our war in the Far East begins in real earnest, when Germany has been defeated'. Clarke, minute, 26 August 1943, F3805/102/10, FO 371/35785. The Admiralty even complained that postwar planning could not begin in earnest until they had finished preparations for the war against Japan. Admiralty committee on postwar problems, third report, 31 December 1944, ADM 167/124.

¹⁷⁵ Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, pp.45-50.

¹⁷⁶ See Christopher Thorne, 'Wartime British Planning for the Post-War Far East' in Ian Nish(ed.), *Anglo-Japanese Alienation, 1919-1952: Papers of the Anglo-Japanese Conference on the History of the Second World War* (Cambridge, 1982), pp.199-225.

¹⁷⁷ The Military Sub-Committee was reluctantly set up as a post-war planning body by the Chiefs of Staff at the request of the Foreign Office. For a survey of the Military Sub-Committee's post-war planning see Julian Lewis, *Changing Direction: British Military Planning for Post-War Strategic Defence, 1942-47* (London, 1988), pp.1-54.

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that after the defeat of Japan, Britain's Empire would be 'substantially unaltered' while its relations with the United States, the Soviet Union, China and the Dutch East Indies would be closer.¹⁷⁸ By 1943, British political figures had attempted to devise bolder plans. In July, Eden recommended a regional defence system for Asia and the Pacific, stating that: 'all suitable bases in the Western Pacific and in Eastern Asia might be put at the disposal of a United Nations Pacific Council of Defence...which would command the necessary air and naval forces', to prevent future Japanese aggression.¹⁷⁹ Charles Webster, who worked under Gladwyn Jebb in the Economic and Reconstruction Department at the Foreign Office, endorsed Eden's scheme, suggesting that a 'Pacific system', in which the United States was bound to take the lead, would ensure the security of Australia, New Zealand and British possessions in Southeast Asia. Both Webster and Eden agreed that a military occupation of Japan would not be necessary. They argued that the Japanese, without the command of the sea, could not commit any act of aggression and in Eden's view, the import of armaments and strategic raw materials could be monitored through international economic controls.¹⁸⁰

Eden's and Webster's political thought on postwar East Asia remained rudimentary. In contrast, the State Department had established as early as February 1942 an advisory committee on postwar foreign policy, of which the Far East Area Committee, under Stanley Hornbeck, began to examine all possible problems that could arise from the defeat of Japan. In March 1944, the State Department's Postwar Programmes Committee, drew up a detailed study for the occupation of Japan. It argued for a nearly exclusive

¹⁷⁸ 'Postwar Strategic Requirements in the Middle East', MSC(42)3(Third Revise), no date, November 1942, CAB 119/65.

¹⁷⁹ Eden thought the United Nations Pacific Council of Defence should be composed of America, Britain, the Soviet Union, China, Canada, Australia, New Zealand, the Netherlands and possibly France and Portugal. He also contended that: 'it might even be desirable to associate this system with some South American state with a Pacific seaboard such as Mexico, Chile or Peru'. 'United Nations Plan for Organising Peace', Eden memorandum, WP(43)300, 7 July 1943, CAB 66/38.

¹⁸⁰ 'Regional Organisation', Webster memorandum, 17 June 1943, Webster Papers, 11/8, LSE.

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American occupation with little foreign participation. There would be no zonal divisions while the Postwar Programs Committee favoured utilising the Japanese government for administration purposes. Once Japan had been disarmed, democratised and economically reformed, it could then rejoin the community of Asian-Pacific nations.¹⁸¹ In 1944, the Foreign Office had not produced an equivalent planning paper and this state of affairs constantly forced officials to discuss Asian postwar planning with the United States on an informal basis. Lacking the requisite planning apparatus, the British could not confidently converse with the Americans on any other level.

When post-war issues such as the World Organisation came up for discussion in Cabinet, Cadogan would continually complain that ministers knew little about it and on one occasion, he resembled proceedings to 'a complete madhouse'.¹⁸² Churchill later admitted that he 'was made to go with the question of a World Organisation' because he was running the war.¹⁸³ The attempt by the Post Hostilities Planning Staff (PHP) to outline basic assumptions for post-war planning in June 1944 also met with stiff opposition.¹⁸⁴ Even Cadogan minuted that: 'Must such estimates be made now? What can we assume about our rights and obligations in the Far East after the war? When is America going to pull out of Europe? One would have to take 101 assumptions *now*, and I can't help thinking this is a waste of time and manpower'.¹⁸⁵ The Colonial Secretary similarly felt that it was 'wholly impracticable' to discuss the formation of a regional

¹⁸¹ Akira Iriye, 'Continuities in U.S.-Japanese relations, 1941-49' in Nagai and Iriye(eds.), *The Origins of the Cold War in Asia*, pp.380-381 and Schaller, *The American Occupation of Japan*, p.7.

¹⁸² See diary entries for 4 August 1944, 7 December 1944 and 20 December 1944 in David Dilks(ed.), *The Diaries of Sir Alexander Cadogan, O.M. 1938-1945* (London, 1971), pp.653-654, 685 and 688-689. Webster made the same observations and when he produced papers on the post-war World Organisation for Eden, he noted in his diary that: 'Eden is to read my papers tonight. I wonder if he will understand them?' Diary entry for 25 April 1944 in Webster diary, Vol.No.10, Webster papers, Vol. II, LSE.

¹⁸³ Diary entry for 18 April 1944 in Webster diary, Vol.No.10, Webster papers, Vol. II, *ibid*.

¹⁸⁴ 'Basic Assumptions for Postwar Strategical Planning', PHP(44)12(0)(Revised Draft), 1 June 1944, U4978/748/G, FO 371/40740. See Lewis, *Changing Direction*, pp.98-107 for a wider discussion of this controversy.

¹⁸⁵ Cadogan, minute, 9 June 1944, U6253/748/G, FO 371/40740.

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organisation for Southeast Asia while that territory was occupied by Japan.¹⁸⁶ This unenthusiastic stance towards post-war questions amongst the higher levels of Britain's political hierarchy did not bode well for British planners attempting to grapple with the sensitive issues that would arise after the defeat of Japan.

The only body to seriously study strategic postwar problems in the Asian-Pacific region was the PHP. The PHP, a committee dominated largely by the military and under the guidance of the Chiefs of Staff, had been set up in 1943 and reorganised in 1944, as a clearing house for many questions arising out of the cessation of hostilities.¹⁸⁷ The difficulty for the PHP, which would undermine many of its planning appreciations, was the definition of its scope. There was little liaison with Britain's armed services and the terms 'strategic' and 'military' were left open to broad interpretations while political factors were rarely taken into account.¹⁸⁸ Most PHP planning centred upon the full collaboration of the United States to help defend Britain's interests and this policy remained in line with the Chiefs of Staff's desire for high-level Anglo-American postwar co-operation. For example, the PHP's call for the creation of a protective chain of bases along the general axis Marshalls-Carolines-Philippines-Formosa, as a barrier against Japanese aggression, was completely dependent upon the wholehearted collaboration of America.¹⁸⁹ The Admiralty and the Foreign Office wondered whether this support would

¹⁸⁶ 'International Regional Bodies in Colonial Areas', Stanley memorandum, DPM(44)12, 3 April 1944, Webster papers, 11/8, LSE.

¹⁸⁷ See Lewis, *Changing Direction*, chps.3 and 4, for a thorough discussion of the workings and appreciations produced by the PHP during 1943-1945.

¹⁸⁸ Morrison, minute, 29 July 1943, ADM 1/12853 and 'Post Hostilities Planning Organisation', Vice-COS memorandum, COS(44)59, 1 April 1944, ADM 1/12853. The War Office had attempted to link PHP planning with an inter-service consultative body in July 1943, but their efforts never took proper shape, especially as the Admiralty was unwilling to participate in such a scheme. See Anthony Gorst, 'British Military Planning for Postwar Defence, 1943-1945' in Anne Deighton(ed.), *Britain and the First Cold War* (London, 1990), p.99.

¹⁸⁹ The PHP argued that two main naval task forces would operate from the Philippines and the Carolines with a strategic air force based on Formosa. The return of Formosa to China under the Cairo declaration had not been taken into account. 'Security in Southeast Asia and the Southwest Pacific', PHP(44)6(0), 28 April 1944, U4150/748/G, FO 371/40740 and Butler minute, 5 June 1944, U4150/748/G, FO 371/40740. See 'Security of British Commonwealth and Empire Interests in Southeast Asia and the Pacific', PHP(44)6(0)(Final), 31st January 1945, U890/36/70,

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be immediately forthcoming, especially after recent experience in the two world wars.¹⁹⁰

Although Sterndale Bennett had felt the PHP was too dismissive of help from the Pacific Dominions, during 1942-1943, the Australians had not been able to assure the defence of their home territories against a potentially strong Asiatic power.¹⁹¹ Meanwhile, financially and economically drained from the war, Britain would be forced to concentrate on its vital strategic commitments, namely the defence of the homeland and the maintenance of imperial lines of communications. These facts forced British officials to conclude that Britain would have to rely primarily on the Americans for defence in East Asia.¹⁹²

The problem for British planners was their concern over American policies towards a defeated Japan.¹⁹³ By 1945, American planners maintained that a stern total occupation of Japan was a prerequisite to peace in postwar Asia. Their general policies had called for the abdication of the Emperor, the dismantling of Japan's Empire, the removal of its heavy industry and the strict control over Japanese imports.¹⁹⁴ The Foreign Office and even the Chiefs of Staff had major doubts about the feasibility and probable success of this American policy.¹⁹⁵ Foulds believed that American peace terms resembled a group of doctrines without any regard for the realities of the situation.¹⁹⁶ The Chinese Nationalists

FO 371/50774. The final version was approved by the Chiefs of Staff as a staff study. See COS minutes, COS(45)48, 21 February 1945, CAB 79/29.

¹⁹⁰ Sterndale Bennett, minute, 8 January 1945, U36/36/70, FO 371/50774 and 'The Post-War Navy and the Policy Governing its Composition', Naval Staff memorandum, Plans Division (final draft), 29 May 1945, ADM 167/124.

¹⁹¹ Sterndale Bennett, minute, 10 October 1944, U7658/748/G, FO 371/40741A and JCS to Hull, 11 March 1944, FRUS, 1944, Vol. III, p.174.

¹⁹² Allen, minute, 28 February 1945, U890/36/70, FO 371/50774. See also Kent, *British Imperial Strategy*, p.3.

¹⁹³ Sir Horace Seymour thought that for most Americans it was 'almost an article of faith...that British and American policies in the Far East were so different as to be irreconcilable'. Seymour to Cadogan, telegram no.1380, 20 December 1944, F234/127/61, FO 371/46325.

¹⁹⁴ Memorandum by the office of the Chief of Naval Operations, 1 May 1945, FRUS, 1945, Vol. VI, p.536 and report by the State-War-Navy Co-ordinating Sub-Committee for the Far East, 11 June 1945, *ibid*, pp.549-554.

¹⁹⁵ Sterndale Bennett to Hollis, letter, 4 July 1945, F3998/364/23, FO 371/46447 and COS minutes, COS(45)175, 12 July 1945, *ibid*.

¹⁹⁶ Foulds, minute, 31 May 1945, F3238/364/23, FO 371/46447.

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also wanted severe economic measures against Japan and to replace the latter in the international environment, while hoping to rebuild a Sino-Japanese relationship on favourable Chinese terms.¹⁹⁷ Stability was a crucial element for many British postwar planners concerned with the future of Japan. Foreign Office officials argued that Japan was an integral part of the Asian-Pacific international economic environment and should be allowed to achieve a reasonable standard of living. If Japan became isolated economically, British officials perceived that the mechanism behind Asian-Pacific trade would not work effectively and this was essential for postwar reconstruction, especially in Britain's Southeast Asian colonies.¹⁹⁸ Sir George Sansom, the principal Asian-Pacific expert at the British Embassy in Washington, became convinced that: 'we must see to it that [Japan] recovers, economically and in other ways under some kind of supervision. We must in fact really count on her recovery'.¹⁹⁹ Sansom was adamant that a total occupation of Japan was unnecessary and considered that Japan, poor in natural resources and deprived of its overseas territories, could be kept in check by economic controls at key points, enforced through the presence of allied warships and massed aircraft demonstrations.²⁰⁰

In spite of these disagreements, the Foreign Office thought that owing to the part played by the British Commonwealth in the war against Japan, there was no reason to suppose that: 'the United States government would wish to oppose British participation in the occupation and control of Japan...in what is bound to be a difficult and thankless task'. But the Foreign Office was unsure of how the occupation would evolve and was forced to concede in April 1945 that it had no clear idea of American, Chinese or Soviet

¹⁹⁷ Liu, *A Partnership for Disorder*, pp.48-49, 53-54.

¹⁹⁸ See Blackburn, minute, 29 March 1944, F1461/168/61, FO 371/41727A and Butler, minute, 17 April 1944, *ibid*.

¹⁹⁹ Sansom's comments were handed informally to the State Department. Balfour to Dunn, 2 August 1945, *FRUS, 1945, Vol VI*, pp.582-584.

²⁰⁰ Policy Towards Japan', Sansom memorandum, 20 June 1945, F3768/364/23, FO 371/46477.

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intentions regarding the treatment of a conquered Japan.²⁰¹ On the other hand, the Americans, who viewed the occupation as strictly their enterprise, also appeared reluctant to divulge their plans to the British and Chinese.²⁰² An official at the British Embassy in Washington noted that he was 'a little disappointed by the way the State Department say in one breadth that we are so far behind that is hardly worth talking and in the next that they really have no policy and are therefore not ready to talk'.²⁰³ Finally, it was debatable whether British manpower would be available for an occupation of Japan. The British government had asked for more than a 30 per cent reduction in the armed forces after the defeat of Japan and estimated that 1.5 million jobs alone would be needed for the urgent reconstruction of houses.²⁰⁴ By May 1945, Eden had become extremely concerned over the poor co-ordination of postwar East Asian policies between London and Washington. Eden warned Churchill that if Britain failed to gain its share in the political and economic control of Japan, there would be a real risk that: 'American views may crystallise before we have time to influence them'.²⁰⁵ Churchill approved the study of problems on the occupation of Japan,²⁰⁶ but six days before Japan surrendered the new British Foreign Secretary, Ernest Bevin, still told the Cabinet that: 'It was urgently necessary that His Majesty's Government should define their policy in this matter'.²⁰⁷

²⁰¹ 'Occupation and Control of Japan', Sterndale Bennett draft memorandum, 16 April 1945. F1834/364/23, FO 371/46447.

²⁰² At the planning level, the postwar foreign policy preparations of the Nationalists and American governments never made direct contact. See Liu, *A Partnership for Disorder*, pp.30-31.

²⁰³ Gore Booth to Sterndale Bennett, letter, 30 July 1945, F4797/4664/61, FO 371/46383.

²⁰⁴ Cavendish Bentinck, minute, 11 April 1945, F1834/364/23, FO 371/46447 and 'Report to the Secretary of State by Under-Secretary Stettinius on his Mission to London, April 7-29, 1944', Stettinius to Hull, 22 May 1944, *FRUS, 1944, Vol.III*, p.26.

²⁰⁵ 'Occupation and Control of Japan', Eden, minute for Churchill, 26 May 1945, PREM 3/252/6A.

²⁰⁶ Churchill had replied, 'Yes, but pray report to the Cabinet'. Churchill, minute for Eden, F3220/364/23, FO 371/46447. Sterndale Bennett, minute, 1 June 1945, F3235/364/23, FO 371/46447.

²⁰⁷ Bevin, minute, CM(45)9, 9 August 1945, CAB 128/1.

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Eden's concerns proved correct as the American interdepartmental planning body for Japan, the State-War-Navy Co-ordinating Committee (SWNCC), paid little attention to Britain when drawing up its plans.²⁰⁸ During June 1945, the State Department confidently assumed that British policy at the end of the war would be in harmony with American policies in Japan, stating that: 'the British government will in general probably go along with the United States, although the emphasis of their policy will be different. British sentiment against Japan is neither unanimous nor so strong as American opinion'.²⁰⁹ The major shock for the British government came in the summer of 1945. On the 29 May 1945, the State Department categorically told the British Ambassador in Washington that they were not aware of any intention on the part of the United States government to invite other powers to participate in the control of Japan. The State Department argued that the American government felt the main responsibility for the defeat of Japan lay with them. Even if the formation of an allied advisory body took place, the State Department contended that it would only serve as a guide for the Supreme Allied Commander in occupied Japan.²¹⁰ This attitude disturbed Foreign Office officials to the extent that they were reluctant to involve British forces in the invasion of Japan. Although the British were often critical towards American policies for Japan, they did not provide thorough or comprehensive alternatives themselves.²¹¹ Sansom's ideas produced the only British paper that tabled a policy for the occupation of Japan during

²⁰⁸ The first Sterndale Bennett knew of the important SWNCC paper 'US Initial Post-Surrender Policy for Japan' was through the BBC and Press reports. Sterndale Bennett, minute, 23 September 1945, F7331/364/23, FO 371/46449 and Foulds, minute, 18 September 1945, F7141/630/23, FO 371/46459.

²⁰⁹ 'An Estimate of Conditions in Asia and the Pacific at the Close of the War in the Far East and the Objectives and Policies of the United States', policy paper prepared by the State Department, 22 June 1945, *FRUS, 1945, Vol VI*, p.579.

²¹⁰ Halifax to Foreign Office, telegram no.3755, 29 May 1945, F3238/364/23, FO 371/46447.

²¹¹ Sterndale Bennet argued that the British should simply aim to 'revive and recover our territories, to beat the Japanese and to build a better world. I do not see that we need to hesitate to proclaim the programme to the Americans or despair of co-operating with them on the basis of it'. Sterndale Bennett, minute, 16 January 1945, F214/127/61, FO 371/46325.

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the Second World War. Sansom's experience and knowledge of Japan enabled his criticisms of American policies to transcend the echelons of Whitehall and the British Press. Consequently, British officials frequently adopted a critical outlook when it came to discussing American occupation planning.²¹²

The handling of the Japanese surrender by the United States in August 1945 finally exposed an American determination to deal with Japanese affairs unilaterally. At Byrnes's urging no mention of the Emperor had been made in the Potsdam declaration. Truman had also been bolstered by news of the successful testing of the atomic bomb and felt it was no longer necessary to issue compromises.²¹³ When Attlee was shown a draft copy of the American surrender terms, the British government had doubted the wisdom of enforcing Hirohito to personally sign them and sent the United States an amendment.²¹⁴ Byrnes subsequently made an 'unimportant change in language' but 'in order to save time' did not seek the approval of the British government.²¹⁵ Despite the fact that the Soviets and Chinese remained highly sceptical of this move, the Americans accepted the British modification claiming that all allied powers were in agreement.²¹⁶ Pierson Dixon, Bevin's private secretary, noted in his diary on the 11 August 1945, that: 'It was cool of the Americans to go ahead without consulting us or the other two, but it is characteristic

²¹² See Buckley, *Occupation Diplomacy*, chp.1, for a wider survey of Sansom's influence.

²¹³ Schaller, *The American Occupation of Japan*, p.16.

²¹⁴ Recalling the Great War, Bevin stated that by driving out the Kaiser in 1918, the allies had pre-empted a constitutional monarchy and unintentionally opened the 'doors to a man like Hitler'. Harriman and Abel, *Special Envoy*, p.486. The decision to agree not to insist on the abdication of the Emperor was reached at CM(45)20, 10 August 1945, CAB 128/1. At this stage, Molotov was 'sceptical' of the Japanese surrender and informed the British that the Soviet offensive in Manchuria would continue. Clark Kerr to Foreign Office, telegram no.3522, 11 August 1945 F4977/630/23, FO 371/46453. The Soviets did eventually agree to the surrender of Japan and accepted MacArthur as the Supreme Allied Commander for Japan. See Clark Kerr to Foreign Office, telegram no.3525, 11 August 1945, F4977/630/23, FO 371/46453 and Harriman and Abel, *Special Envoy*, pp.499-500.

²¹⁵ Foreign Office to Washington Embassy, telegram no.8294, 11 August 1945, F4974/630/23, FO 371/46453.

²¹⁶ Diary entry for 11 August 1945, ACAD 1/15, Cadogan papers, CAC.

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of their healthy aggressive mood to wish to take the lead and be the spokesman'.²¹⁷ At a Cabinet meeting on 10 August 1945, Truman further explained that his inclination to meet the Japanese part way was due to his dread of the Soviets pushing 'too far into Manchuria'. According to Truman, a softening of the Potsdam terms was about the only leverage Washington possessed to restrain Soviet movement southward.²¹⁸ As the United States and the Soviet Union contested issues in East Asia, it was becoming clear that the British could do little to affect their outcome.

In conclusion, all aspects of British policy towards East Asia were affected by events in Europe. A lack of material and human resources constantly left Britain's full-scale attention towards the conflict against Japan dependent upon the defeat of Germany. Frustrated by this dilemma, figures such as Churchill, postulated strategic plans for the defeat of Japan that took little account of Britain's capabilities and commitments. The alternative of securing American collaboration for the restoration of Britain's position in Asia also brought forth difficulties. British officials presumed that Britain's power derived from its overseas territories. Churchill's rigid conservatism on imperial issues and his insistence that Britain's Southeast Asian colonial possessions be recaptured during the war against Japan, left the United States with the suspicion that British strategy had at its root imperialist aims and not the desire to beat the Japanese in the shortest possible time. The Chiefs of Staff attempted to rectify this suspicion but the United States deemed that any British forces employed in the Pacific were an intrusion on a theatre which was deemed an American preserve. As Britain struggled to revive its power in the region, the possibilities of a Soviet entry into the war against Japan focused Roosevelt on dealings with Stalin for the East Asian region at Britain's and China's expense. However,

²¹⁷ Diary entry for 11 August 1945 in Piers Dixon, *Double Diploma: The Life of Sir Pierson Dixon: Don and Diplomat* (London, 1968), p.180.

²¹⁸ See Truman, *Memoirs, Vol. I*, pp.429-430 and Harriman and Abel, *Special Envoy*, pp.499-500.

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the American desire to maintain the controlling hand in the evolution of East Asian affairs also saw Truman exclude the Soviets from the Potsdam declaration. British hopes of embarking on a glorious liberation of Southeast Asia were dashed with the sudden Japanese surrender. Consequently, the British were unprepared for the postwar Asian world.

II

BRITAIN AND THE BILATERAL DIVISION OF KOREA

MAP FIVE: NORTHERN KOREA, 1945-1947



Source: Anthony Farrar-Hockley, *The British Part in the Korean War, Part I: A Distant Obligation* (London, 1990). Reproduced by kind permission of the Historical and Records Section at the Cabinet Office.

II

THE BILATERAL DIVISION OF KOREA AND POSTWAR EAST ASIA, 1945-1947

I. Introduction

Traditionally, Korea had not held much historical interest for Britain. During the Second World War, British policy-makers were unsure about the American concept of a trusteeship for Korea that could exclude or involve Britain more deeply in the affairs of Northeast Asia than it thought desirable. After the defeat of Japan, economic problems and strategic over-stretch forced British military planners to recoil from the idea of providing occupation forces for Korea. But British policy-makers were aware of Korea's potential for igniting an international crisis which grew stronger as Soviet and American troops occupied the province north and south of the 38th parallel. Increasing hostility between the Anglo-American powers and the Soviet Union meant that Britain found it necessary to formulate a view about the occupation of Korea and thus there followed a considerable amount of debate in Whitehall. But Japan's sudden surrender meant that the United States was no more ready than Britain to occupy or become involved in Korean affairs. Moreover, Washington did not regard Korea as strategically important to the United States. Britain might have thought more of Korea in this respect. However, the State Department found it difficult to retreat completely from Korea due to reasons of prestige and the effect it would have on their policies in China and Japan. In similar circumstances, the British had been reluctant to withdraw from Egypt and Iran because of its effects on the surrounding region and Britain's world power and imperial status. There remained, though, a major difference of approach to both these areas. By 1946, in

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the Middle East, the Anglo-American powers made a concerted stand against Soviet incursions which forced the latter to back down. In Korea, the United States did not always inform Britain of its major decisions and it was not possible to co-ordinate Western policy. By the end of 1947, both British and American military planners had effectively written off Korea as a strategic asset in the Cold War

II. British Wartime Planning for Korea

A. EARLY PLANNING ASSUMPTIONS

Throughout the nineteenth and twentieth centuries, Korea had not played a prominent part in British strategic, political and economic thinking. Only in two instances did Korea attract the attention of the British government and on both occasions it was the perceived threat of a hostile Russia that dictated a measured British response. During the latter nineteenth and early twentieth century, ominous Russian attempts to expand into Northeast Asia prompted the British to sign the Anglo-Japanese alliance of 1902. For Britain, increasingly preoccupied with the strength of Germany, the alliance aimed to counterbalance Tsarist policies that appeared to threaten the Crown's interests in China and India. Defeat in the Russo-Japanese war effectively ended a positive Russian policy in this region after 1905 and the Japanese annexation of Korea in 1910 was accepted by the British as a consequence of its partnership with Japan.¹ The Japanese occupation was efficient but repressive and Korean uprisings during 1919 against Japan's colonial rule were ruthlessly suppressed.² Throughout the interwar years, Whitehall paid little attention

¹ For an overview of Japanese, Russian and British policy during this period with regard to Northeast Asia see David Walder, *The Short Victorious War: The Russo-Japanese Conflict 1904-5* (London, 1973); R. Connaughton, *The War of the Rising Sun and Tumbling Bear: A Military History of the Russo-Japanese War 1904-5* (London, 1988); Raymond Esthus, *Double Eagle and Rising Sun: The Russians and Japanese at Portsmouth in 1905* (London, 1988); Ian Nish, *The Origins of the Russo-Japanese War* (London, 1985); idem, *The Anglo-Japanese Alliance*; idem, *Alliance in Decline* and Lowe, *Great Britain and Japan*.

² In the 1919 demonstrations, the Japanese killed approximately 1,200 Koreans, arrested 19,500, jailing 3,500, and burned thousands of homes, churches, temples and schools. Alan Millett, 'Understanding Is Better Than Remembering: The Korean War, 1945-1954', *The Dwight D. Eisenhower Lectures in War & Peace*, no.7 (Manhattan, KS, 1997). See also Bruce Cumings, *The*

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to Korea and it was not until the re-entry of Soviet forces into Northeast Asia during the middle of 1945 that the British once again began to closely monitor events on the Korean peninsula. There was, however, a subtle difference in circumstances for the British during the intervening crises over Korea. In the early 1900s, Britain had been a world power of the first rank and using traditional balance of power policies, enlisted the support of an ally, Japan, to check Russian dominance in East Asia. By the end of the Second World War, although a friendly power, this time the United States, provided the counterbalance to Soviet domination, the British had less influence in East Asian regional affairs and could not play a prominent part in directing policies towards Korea. According to Robert Vansittart, a former permanent under-secretary at the Foreign Office, developments in Korea epitomised the fact that: 'the Big Three had become the Big Two'.³

As early as 1942, Sir George Sansom recognised that Korea occupied a dominating strategic position in relation to China and Japan, but due to its demographic and economic character, would remain a weak country dependent upon the protection of other powers for a considerable period. For this reason, Sansom concluded that Korea was liable to constitute 'a danger point'.⁴ Joseph Ballantine and Max Bishop at the Division of Far Eastern Affairs in the State Department, saw this 'danger point' emanating from a Soviet desire to gain control of Korea and the neighbouring areas of Inner Mongolia and Manchuria.⁵ Taking these concerns into account, in October 1943,

Origins of the Korean War, Vol.I: Liberation and the Emergence of Separate Regimes 1945-1947 (Princeton, 1989), chps.1-2. A detailed study of Japan's colonial policies from 1895-1945 can be found in R.Myers and M.Peattie(eds.),*The Japanese Colonial Empire, 1895-1945*(Guilford, 1984). For a classic account of Korean cultural and political evolution see Gregory Henderson, *Korea: The Politics of Vortex* (Cambridge, Mass, 1968).

³ Robert Vansittart, 'The Way We Have Gone', *Manchester Guardian*, 5 January 1946.

⁴ For various references on Korea by Sansom see George Sansom, *Postwar Relations with Japan* (New York, 1942), *passim*.

⁵ 'USSR Aims in the Far East', Ballantine and Bishop memorandum, 19 August 1943, *FRUS: Washington and Quebec, 1943* (Washington, 1970), pp.627-629. See also James Matray, *The Reluctant Crusade: American Foreign Policy in Korea, 1941-1950* (Honolulu, 1985), pp.5-27.

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Sansom, supported by Eden, suggested that the immediate postwar solution might be to allow the Koreans to take over the country at once, provided that 'allied' advisers could temporarily oversee and direct the administration. The State Department did not disagree with Sansom's ideas but showed no eagerness for the United States to have the honour of acting as a mandatory.⁶ However, reflecting the fears of Ballantine and Bishop, the Foreign Office and the Russian Department at the Chinese Ministry of Information, wondered if the real question seemed to be whether the Soviet Union would permit any other nation to have a share in the occupation of Korea at all. Whereas the Korean groups in China and the United States were merely exiles, the Soviet Union had a substantial resident Korean population, mainly in the Vladivostok area, and this was bolstered by the fact that a number of Korean officers and men had served in the Red Army.⁷

To offset Foreign Office concerns, Harriman drafted a memorandum for Roosevelt at Cairo in November 1943, stating that it would be prudent to agree to the independence of Korea under some type of trusteeship in which the four great powers would participate.⁸ This proposal had the dual purpose of attempting to prevent a Soviet domination of Korea while allowing the politically divided Koreans time to establish their own independent state.⁹ Beyond shared opposition to Japanese rule, popular

⁶ Record of discussion between Sansom, Hornbeck and Clarke on the postwar administration of Korea, 13 October 1943, F5471/723/23, FO 371/35956; Eden minute, WM(43)53, 13 April 1943, CAB 65/38 and Hamilton to Hull, 22 April 1943, *FRUS, 1943, Vol.III*, pp.1090-1096.

⁷ The resident Korean population numbered around 180,000. See Hudson, minute, 3 November 1943, F5471/723/23, FO 371/35956 and Thyne Henderson, minute, 12 December 1944, U8583/648/G, FO 371/40741B. See also Anthony Farrar-Hockley, *The British Part in the Korean War, Vol.I: A Distant Obligation* (London, 1990), p.2. For Chinese Nationalist opinion see Robert Slusser, 'Soviet Far Eastern Policy, 1945-50: Soviet Goals in Korea' in Nagai and Iriye(eds.), *The Origins of the Cold War in Asia*, p.131. On the role of Korean partisans in Soviet territory during the 1930s and 1940s see Erik Van Ree, *Socialism in One Zone: Stalin's Policy in Korea, 1945-1947* (Oxford, 1989), pp.17-32.

⁸ The Chinese Ambassador at Moscow had also expressed opinions along these lines. See Harriman and Abel, *Special Envoy*, pp.261-262.

⁹ Record of discussion between Sansom, Hornbeck and Clarke on the postwar administration of Korea, 13 October 1943, F5471/723/23, FO 371/35956.

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Korean figures from Nationalist China and the United States, such as Syngman Rhee, Kim Kyu-sik and Kim Ku, had little in common with their leading communist counterparts, Kim Il-sung and Pak Hon-yong. Disunity was also prevalent in both these opposing political blocs.¹⁰ Factionalism amongst Korean political groups and uncertainty about the role of the Soviet Union in the war against Japan, led Churchill to subscribe to the Cairo declaration of December 1943. The declaration pledged that the United States, Britain and China, 'mindful of the enslavement of the people of Korea, are determined that in due course Korea shall become free and independent'.¹¹ Responding to a question from Churchill at Teheran, Stalin said he had read and thoroughly approved the Cairo communiqué. It was right, Stalin cautiously stated, that Korea should be independent. The Soviet leader said little else on the subject.¹² It was not until October 1944, that Korea was discussed again between the United States and the Soviet Union. Britain was not involved in the proceedings that briefly dealt with military operations in East Asia.¹³ During talks with Harriman at Moscow, Stalin explained that Soviet forces would embark on major operations in North China as far as Peking and secure the northern Korean ports. Harriman said little in response to Stalin's military plans and merely informed him that the Joint Chiefs of Staff were not considering joint land operations in Northeast Asia. Harriman's remark must have encouraged Stalin to believe that the Red Army would play a major part in Korea's liberation.¹⁴

Despite the British being excluded from military planning in Northeast Asia, six months after the conclusion of the Cairo conference, an informal committee was set up by the Foreign Office to investigate the future of Korea. The wartime committee, for

¹⁰ See Millett, 'Understanding Is Better Than Remembering'. For a concise survey on the factionalism within these blocs see Peter Lowe, *The Origins of the Korean War* (London, 1997), pp.7-12.

¹¹ 'British Foreign Policy in the Far East', Far Eastern Civil Planning Unit (FECPU) memorandum, GEN 77/94, 14 January 1946, CAB 130/5.

¹² Harriman and Abel, *Special Envoy*, p.275.

¹³ See Leahy, *I Was There*, pp.478-479.

¹⁴ See Van Ree, *Socialism in One Zone*, p.37.

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reasons that have already been examined in chapter one, took several months to produce a policy preparation and held its first meeting as late as December 1944.¹⁵ The committee's first and only appraisal concluded, in line with American planners, that it would be impossible for the Koreans to set up an effective government immediately after liberation.¹⁶ The British, Chinese and United States governments had continually refused to recognise bodies such as the Korean provisional government during wartime. There were severe Anglo-American doubts over how genuinely representative this group was in Korea. The British had made it clear that they were not prepared to contemplate recognition of the Korean provisional government and notes addressed by Kim Ku, the Chairman, and Tzo So-wang, Minister of Foreign Affairs in the provisional government, to the British Foreign Office would remain unanswered.¹⁷ Apart from the disunity amongst Korean political groups, a major problem that led British planners to approve of some form of international tutelage, was that the whole of the Korean economy had been closely integrated with that of Japan. Japanese nationals had been in control of most of the industry, finance and public services. Therefore, the task of constructing a Korean state which could stand by itself would, according to the newly formed Korean committee at the Foreign Office, be a formidable one. In addition, the committee pointed out that Korea was the closest point on the Asiatic mainland to Japan while flanking the approaches to Tientsin, Dairen and Vladivostok. For this reason, the committee felt that: 'control of Korean bases and ports by any one power is likely to be received with jealousy by some of the others'.¹⁸

¹⁵ The committee was composed principally of Arnold Toynbee (chairman), Sir Paul Butler, Geoffrey Hudson and Charles Webster. See Diary entry for 9 December 1944 in Webster diary, Vol.12, Webster papers, Vol.II, LSE, for complaints on the slow progress of British policy towards Korea.

¹⁶ 'Future of Korea', Webster memorandum, 20 December 1944, F6012/102/23, FO 371/41801. See also Lowe, *The Origins of the Korean War*, p.13.

¹⁷ Winant to Secretary of State, 9 April 1945, *FRUS, 1945, Vol.VI*, p.1026. The Chinese fell into line with American policy on this issue. See Ballantine memorandum, 5 February 1945, *ibid*, p.1019.

¹⁸ 'Future of Korea', Webster memorandum, 20 December 1944, F6012/102/23, FO

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American official thinking on Korea did not differ widely from British perceptions at this stage. Within the State Department, the Inter-Divisional Area Committee on the Far East, argued that: 'as the security of the North Pacific will be of concern to [America] and as Korea's political development may affect this security, the United States would...be interested in active participation in any Korean administration authority'. The Soviet Union and China, who both had territory contiguous to Korea would, noted the Area Committee, have a primary interest in its future political status. There were serious American reservations about leaving the occupation of Korea to one power. The Chinese were correctly considered too weak while a purely Soviet occupation might, the Area Committee claimed, be perceived as a major security threat to both China and the United States.¹⁹ Charles Webster at the Foreign Office agreed with this analysis, recognising that: 'China will be mainly concerned to reduce...Soviet influence in the whole area [and] will be so conscious of her own weakness that she will be glad to see other great powers sharing the responsibility for Korea, and in particular the United States'.²⁰ Webster's analysis highlights the fact that he saw Britain playing no more than a subsidiary role in the Korean region. Yet, during 1944, despite the State Department's interest in Korea, it did not want the latter to become a major American responsibility and the Area Committee still felt that a combined occupation by the United States, Britain, China and the Soviet Union was the most sensible course to adopt.²¹

Although the Area Committee had presumed that Britain would take an interest in the military occupation of Korea, either directly or through the Dominions, there are no

371/41801.

¹⁹ 'Korea: Political Problems: Provisional Government', Inter-Divisional Area Committee memorandum, 4 May 1944, *FRUS, 1944, Vol.III*, pp.1240-1241.

²⁰ 'Future of Korea', Webster memorandum, 20 December 1944, F6012/102/23, FO 371/41801. Dr Wu, the Chinese Vice-Minister of Foreign Affairs, had indicated these very intentions to the British in late 1944. Seymour to Eden, letter, 4 December 1944, U8786/4320/70, FO 371/40798.

²¹ 'Korea: Political Problems: Provisional Government', Inter-Divisional Area Committee memorandum, 4 May 1944, *FRUS, 1944, Vol.III*, pp.1240-1241.

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British or American official records to suggest that the British government had told the United States it was willing to provide forces for such an enterprise. A root problem between the British and the Americans was the question of a trusteeship for Korea. Churchill and Eden did not feel comfortable with the idea of trusteeship as they feared it could be applied in turn to the colonial possessions of the British Empire.²² However, the Foreign Office was divided. Those officials in charge of Asian affairs were adamant that if Britain did not take a military or political part in the occupation of Korea: 'it will be an admission of weakness which will have an immediate effect on our position in China'.²³ The Far Eastern Department at the Foreign Office minuted that: 'if the postwar set-up is going to succeed this time, we shall not be able to adopt an "isolationist" policy towards any problem which may contain the seeds of international dispute'.²⁴ For this very reason, the North American Department and the Economic and Reconstruction Department were not so enthusiastic. Aware of Britain's economic problems and the area's potential for conflict, they advised that the United Kingdom would be 'well advised to keep out'.²⁵ The head of the Economic and Reconstruction Department, Gladwyn Jebb, believed that Britain was trying to punch above its weight without the available material means. Jebb strongly felt that: 'we should stop fussing about Korea and leave it to the Americans, Russians and Chinese to try to hammer out a solution'.²⁶

²² Earl of Avon, *Memoirs*, p.438 and Kimball, *Forged in War*, p.314.

²³ 'Future of Korea', Webster memorandum, 20 December 1944, F6012/102/23, FO 371/41801.

²⁴ Sterndale Bennett, minute, 8 January 1945, F6012/102/23, FO 371/41801 and Foulds, minute, 8 January 1945, F6012/102/23, FO 371/41801.

²⁵ Ward, minute, 10 January 1945, F6012/102/23, FO 371/41801.

²⁶ Jebb, minute, 12 January 1945, F6012/102/23, FO 371/41801. The North American Department also dismissed the Far Eastern Department's ideas as too grandiose. See Butler, minute, 22 January 1945, F6012/102/23, FO 371/41801. For the disappointed reaction of the Foreign Office's Asian officials see diary entry for 13 January 1945 in Webster diary, Vol. No.12, Webster papers, Vol.II, LSE and diary entry for 16 August 1945 in Webster diary, Vol. No.14, Webster papers, Vol.II, *ibid*.

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B. YALTA, BRITISH ISOLATION AND THE PLACE OF KOREA IN THE DEFEAT OF JAPAN

At Yalta, Roosevelt, dismissing the influence of British power in East Asia and attempting to secure Stalin's military support in the war against Japan, appeared to be moving towards a trusteeship comprising just the United States, the Soviet Union and China. In his first meeting with Stalin on 8 February 1945, Roosevelt put this idea to the Soviet leader and argued that the trusteeship might last up to thirty years. Both Stalin and Roosevelt agreed that no foreign troops would be stationed in Korea. The exclusion of the British worried Roosevelt and he sought Stalin's advice. Stalin replied that the British would most certainly be offended and argued that they should be invited, otherwise Churchill might 'kill us'. These discussions were not related to the British and nothing was entered in the record as the Soviet Union remained at peace with Japan. Stalin, nevertheless, seemed apathetic about the idea of trusteeship and consented to it in an uncommitted way.²⁷ Documented evidence from the Soviet Foreign Ministry suggests that at the very least Stalin was interested in maintaining the balance of power in the Korean peninsula favourable to the Soviet Union and to restore its pre-1904 position. There is no evidence to suggest that the Soviet Union wanted the whole of Korea under its control.²⁸ However, Stalin's cautious attitude at Tehran and Yalta was probably attributable to a belief that once Soviet forces had entered the war against Japan, Korea might be fully occupied by the Red Army.²⁹ This belief was undoubtedly reinforced at the Potsdam conference in July 1945, when General Marshall told his Soviet counterpart, General Antonov, that the United States did not contemplate making an offensive against Korea until well after the landings at Kyushu. Marshall explained that an

²⁷ Van Ree, *Socialism in One Zone*, pp.38-40 and Farrar-Hockley, *The British Part in the Korean War, Part I*, p.3.

²⁸ See Weathersby, 'Soviet Aims in Korea', p.7 and Harriman to Byrnes, 12 November 1945, *FRUS, 1945, Vol.VI*, pp.1121-1122.

²⁹ Slussor, 'Soviet Far Eastern Policy', pp.128-130.

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American operation against Korea would require an undue amount of shipping and it was the belief of United States planners that Korea could be brought under control without difficulty once aircraft could operate from Kyushu. British opposition to the concept of trusteeship was also mounting when Churchill, at Potsdam, impatiently brushed aside proposals for such a scheme in the former Italian colonies of North Africa. An attempt by Stalin to turn the discussion to Korea was equally unsuccessful. As the Soviets were not at war with Japan, Stalin had yet to formally associate himself with the Cairo declaration.³⁰

In early 1945, the Foreign Office was sure that: 'if Russia is determined to assume virtual control over Korea neither we nor the Americans nor the Chinese nor all three will be able to stop her'.³¹ The Chinese Foreign Minister, T. Soong, agreed, believing that 2 Siberian-trained divisions would be left in Korea along with Moscow political personnel. Under these conditions, Soong was fearful that in the long term, even with a four-power trusteeship, the Soviets would dominate Korean affairs. Korea's border with north China, where Chinese communism was gradually expanding, presented obvious implications.³² Soviet planners no doubt thought they would be firmly established in Korea, basing their assumption on the Anglo-American planning criteria that the conflict against Japan would continue for at least eighteen months after the defeat of Germany.³³ Notwithstanding this perception, Stalin evidently grew concerned about his timetable for the entry of Soviet forces into Manchuria and Korea, when Japanese attempts at mediation began to surface in 1945.³⁴ In February 1945, Stalin immediately pressured his military planners to speed up preparations for the participation of Soviet forces in the

³⁰ See Truman, *Memoirs*, Vol. I, p.383. See Van Ree, *Socialism in One Zone*, pp.38-47; Michael Sandusky, *America's Parallel* (Alexandria, 1983), p.150 and Slussor, 'Soviet Far Eastern Policy, 1945-50: Soviet Goals in Korea', pp.133-135.

³¹ Foulds, minute, 8 January 1945, F6012/102/23, FO 371/41801.

³² Truman, *Memoirs*, Vol. I, pp.316-317.

³³ See Chapter I.

³⁴ See Nish, 'Preparing for peace & survival', pp.6-7.

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war against Japan.³⁵ On 8 August 1945, two days after the first atomic bomb was dropped on Hiroshima, the Soviet Union declared war on Japan and began to launch attacks on Manchuria, Korea and Sakhalin. When Japan surrendered on 15 August 1945, the Red Army had only managed to cross the Yalu River and advance as far as Chongjin in the far Northeast of Korea. With British and Chinese Nationalist forces focused on the recovery of lost territory in Southeast Asia, the Southwest Pacific and mainland China, the Americans were conceivably the only other power that could provide troops for the occupation of Korea.³⁶ But MacArthur and the Joint Chiefs of Staff, faced with manpower restrictions and their desire to occupy Japan first, did not regard Korea as a priority and despatched troops to the peninsula only on 8 September 1945.³⁷ Stalin made no attempt to occupy the whole of Korea and readily accepted an American dividing line of the 38th parallel between Soviet and American forces.³⁸

Until MacArthur had accepted Japan's formal surrender on 2 September 1945, Soviet forces in Korea, outnumbered by three to one, might well have faced a bitter struggle over hundreds of miles of inhospitable terrain, had an attempt been made to reach Seoul. More importantly, Moscow controlled the ice-free ports of Chongjin and Wonsan as a guarantee against the Manchurian ports obtained at Yalta. The successful testing of the atomic bomb had motivated Truman and Byrnes to believe that they could minimise the

³⁵ Just before the Yalta conference, Stalin had approached his Army Chief of Staff with a view to speeding up military plans for an attack against Japan. See Van Ree, *Socialism in One Zone*, p.38 and Westad, *Cold War & Revolution*, p.78.

³⁶ See Calvocoressi, *Total War*, Vol.II, p.601; Westad, *Cold War & Revolution*, pp.77-98 and Peter Denis, *Troubled Days of Peace: Mountbatten and Southeast Asia Command, 1945-46* (Manchester, 1987).

³⁷ James Schnabel and Robert Watson, *The History of the Joint Chiefs of Staff: The Joint Chiefs of Staff and National Policy*, Vol.III: *The Korean War, Part I* (Wilmington, 1979), pp.3-10. Michael Sandusky considers this American move a lost opportunity, arguing that if MacArthur had spared forces for Korea, they could have occupied the greater part of the peninsula. Sandusky, *America's Parallel*, pp.239-245. Peter Lowe disagrees, pointing out that the American priority had always been Japan, especially if it meant preventing Soviet forces from directly involving themselves in that country. Lowe, *The Origins of the Korean War*, p.19. See also John Gaddis, 'Korea in American Politics, Strategy and Diplomacy, 1945-1950' in Nagai and Iriye(eds.), *The Origins of the Cold War in Asia*, pp.277-278 and idem, *We Now Know*, chp.3.

³⁸ SWNCC draft memorandum to the JCS, undated, *FRUS, 1945, Vol.VI*, pp.1037-1039.

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amount of territory in East Asia to come under Soviet control. At Potsdam, American officials were reluctant to go into details regarding a trusteeship for Korea. Stalin, therefore, was probably reluctant to jeopardise more important issues in Europe, American aid for Soviet postwar reconstruction or a possible place in the occupation of Japan over disagreements in Korea.³⁹ Furthermore, the Red Army had brought with them a host of Korean communists from the Soviet Union and Yenan who were already setting up pre-selected People's Committees in North Korea in an attempt to consolidate the area.⁴⁰ By the time the Soviet Union and the United States had agreed on a dividing line for Korea, British impact on discussing the fate of Korea had been considerably reduced. ~~The British, preoccupied with economic problems and bolstering imperial position in Southeast Asia,~~ By sending forces to Malaya, the Dutch East Indies, ^{the British, preoccupied with economic problems,} Indo-China, Siam and Japan, _λ could not and did not want to play a major role in the occupation of Korea. Even the Far Eastern Department at the Foreign Office was forced to admit that: 'Korea will come very low on our list of priorities'.⁴¹

III. The Postwar Defence Budget and British Policy in Korea

A. LABOUR IN POWER: BRITAIN'S STRATEGIC PRIORITIES

In July 1945, a new Labour administration, headed by the dry and undemonstrative Clement Attlee, witnessed a revival of the party's fortunes ^{premiership} since Ramsey MacDonald's _λ of

³⁹ Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.32; Matray, *The Reluctant Crusade*, pp.42-45; William Stueck, *The Korean War: An International History* (Princeton, 1995), pp.18-19; Sandusky, *America's Parallel*, pp.225, 248-252; Van Ree, *Socialism in One Zone*, p.67; Mark Paul, 'Diplomacy Delayed: The Atomic Bomb and the Division of Korea, 1945' in Bruce Cumings(ed.), *Child of Conflict: The Korean-American Relationship, 1943-1953* (London, 1983), pp.67-91; Barton Bernstein, 'The Perils and Politics of Surrender: Ending the War with Japan', *Pacific Historical Review*, Vol.46 No.1 (February 1977), pp.1-28; idem, 'Understanding the Atomic Bomb and the Japanese Surrender', pp.227-273; Slussor, 'Soviet Far Eastern Policy', p.133 and James Matray, 'Captive of the Cold War: The Decision to Divide Korea at the 38th Parallel', *Pacific Historical Review*, Vol.50 No.2 (May 1981), pp.145-168.

⁴⁰ 'Political Developments in Korea: Period 15th August 1945, to 15th March 1945', Kermode to Bevin, despatch no.33, 16 March 1948, F4990/511/81, FO 371/69940.

⁴¹ Foulds, minute, 8 January 1945, F6012/102/23, FO 371/41801.

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1929-1931.⁴² According to Cadogan, his new masters were a 'funny looking lot' and he didn't know half of them by sight.⁴³ These concerns apart, the Attlee administration had to guide Britain through some of the most economically difficult years of its history. Elected on the back of a pledge to build a welfare state, the problems of rebuilding houses, inadequate fuel and the shortage of food would haunt the Labour administration throughout its tenure in office.⁴⁴ At the end of the Second World War, Britain had accumulated debts of some £4.7 billion.⁴⁵ Consequently, Lord Keynes, the Treasury's principal economic adviser, stated that the cessation of lend-lease material, could leave Britain facing a 'financial Dunkirk', culminating in retrenchment overseas, charity from the Dominions and a greater degree of austerity at home.⁴⁶ The new Chancellor of the Exchequer, Hugh Dalton, advocated that the solution to this crisis was the reconversion of British industry from war to peace, the demobilisation of Britain's armed forces and the rapid reduction in overseas expenditure. Dalton later lamented that these remedies met with 'stubborn, and sometimes quite stupid resistance' from ministerial colleagues.⁴⁷ It was, of course, difficult for many British officials to contemplate hardship, especially after Britain had emerged victorious from the Second World War with its powerful fleet, army and air force still intact.⁴⁸

Resistance to Dalton's proposals was somewhat alleviated when Truman, under pressure from Congress, terminated lend-lease supplies on 21 August 1945.⁴⁹ The result

⁴² See K.Harris, *Attlee* (London, 1982) for a good biography of Attlee.

⁴³ Diary entry for 7 August 1945 in Dilks(ed.), *The Diaries of Sir Alexander Cadogan*, p.780.

⁴⁴ Notes by Dalton of an Informal Discussion on Future Policy and Problems, 30 July 1945, Dalton papers, Vol.II, 9/1, LSE.

⁴⁵ Reynolds, *Britannia Overruled*, p.159.

⁴⁶ 'Our Overseas Financial Prospects', Keynes memorandum, CP(45)112, 14 August 1945, CAB 129/1.

⁴⁷ Hugh Dalton, *High Tide and After: Memoirs 1945-1960* (London, 1962), p.70.

⁴⁸ Young, *Britain and the World*, p.145. For an overview of British foreign policy during this period see Barker, *The British Between the Superpowers, 1945-50*; Deighton(ed.), *Britain and the First Cold War*; Michael Dockrill and John Young(eds.), *British Foreign Policy, 1945-56* (London, 1989) and Ritchie Ovendale(ed.), *The Foreign Policy of the British Labour Governments, 1945-1951* (Leicester, 1984).

⁴⁹ See Barnett, *The Lost Victory*, pp.1-4 and Thorne, *Allies of a Kind*, pp.505-506.

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was a clamour within the Labour Cabinet for a United States loan and a readiness to demobilise Britain's armed forces as quickly as possible. Bevin espoused a lone warning, suggesting that Britain should not be left in a position analogous to 1918-1919, when the government was seriously weakened by the rapid demobilisation of its forces.⁵⁰ Thanks to his wartime experience in the coalition government, Bevin spoke with authority on manpower and economic questions.⁵¹ However, those within the Attlee administration, of whom many were convinced internationalists and proponents of the UN, found it hard to justify substantial military expenditure, when Britain's principal enemies, Germany and Japan, had been annihilated.⁵² Although Bevin realised that Britain could not sustain huge military forces, he thought it was wholly unrealistic to suppose that the UN could at once take over postwar international responsibilities. Bevin felt this task lay with the great powers who had the resources and experience to deal with the postwar world. Once a settlement had been agreed, then the UN could police it.⁵³ Overestimating British capabilities, Acheson, Stimson, Grew, the State Department and the Joint Chiefs of Staff all expected the British to play a decisive role in upholding the postwar balance of power while checking Soviet influence.⁵⁴ British and American planners, aware of the devastation heaped upon the Soviet Union during the last war, correctly surmised that Stalin would want to avoid a war for at least ten to fifteen years.⁵⁵

Despite American hopes and Bevin's analysis, Dalton was reluctant to embrace a bold foreign policy and told the Cabinet that he wanted to reduce the total expenditure of the

⁵⁰ Bevin, minute, CM(45)23, 16 August 1945, CAB 128/1 and Cabinet minutes in CM(45)26, 30 August 1945, CAB 128/1.

⁵¹ Alan Bullock, *Ernest Bevin: Foreign Secretary 1945-1951* (Oxford, 1985), p.98.

⁵² Attlee, minute, DO(45)7, 5 October 1945, CAB 69/7 and diary entry for 7 December 1945 in Dalton diary, Part I, Vol.33, July-December 1945, Dalton papers, LSE.

⁵³ Bevin, minute, CM(45)36, 28 September 1945, CAB 128/1 and Bullock, *Ernest Bevin*, p.111.

⁵⁴ Leffler has pointed out how Administration officials exaggerated British strength, carped at its imperial practices and wanted Britain to eschew economic blocs. Leffler, *A Preponderance of Power*, p.61.

⁵⁵ During late 1945, intelligence reports indicated that Soviet forces were rapidly demobilising. *ibid.*, pp.25, 96, 111 and Lewis, *Changing Direction*, pp.359-369. For the Soviet position see Zubok and Pleshakov, *Inside the Kremlin's Cold War*, pp.28-29, 31.

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forces in peace-time to £500 million.⁵⁶ Between 1945 and 1947, Dalton, supported by Attlee, would continually attack the spending programmes produced by the armed services which in his view were damaging the prospects of economic recovery.⁵⁷ When the draft statement on defence for 1946 announced that the total strength of Britain's armed forces in June 1946 would be 1,900,000 and 1,100,000 in December 1946,⁵⁸ Dalton complained that the annual expenditure of £1,091 million, was more than double the sum which had been regarded as a reasonable peacetime figure by the wartime coalition government.⁵⁹ Dalton's relentless pressure to decrease military manpower meant that a British role in the occupation of Korea was singled out as one example of an entirely unnecessary obligation.⁶⁰ Notwithstanding a reluctance to participate in the occupation of Korea, British commitments across the globe remained staggering after the end of the Second World War. Britain provided forces for the occupation of Germany, Austria, Italy, Iran, Libya, Japan, French Indo-China and the Dutch East Indies while deploying troops throughout the world to defend its imperial interests in the Mediterranean, Africa, the Middle East and Southeast Asia.⁶¹

⁵⁶ Dalton, minute, CM(45)36, 28 September 1945, CAB 128/1.

⁵⁷ Diary entry for 5 October 1945 in Dalton diary, Part I, Vol.33, July-December 1945, Dalton papers, LSE; Diary entry for 27 January 1947 in Dalton diary, Part I, Vol.35, January-October 1947, *ibid* and Dalton, minute, CM(47)9, 17 January 1947, CAB 128/9. See also Anthony Gorst, "We must cut our coat according to our cloth": the making of British defence policy, 1945-8' in Richard Aldrich(ed.), *British Intelligence, Strategy and the Cold War, 1945-51* (London, 1992), pp.145-147.

⁵⁸ The cost would be Navy £255 million; the Army £682 million; the Air Force £256 million and supply and aircraft production £474 million. See the *Draft Statement Relating to Defence: 1946* in 'Defence Policy in 1946', note by Attlee and Alexander, CP(46)65, 15 February 1946, CAB 129/7.

⁵⁹ Dalton, minute, CM(46)16, 18 February 1946, CAB 128/5.

⁶⁰ 'Occupational Forces for Japan and Korea', JP(45)217(Final), 28 August 1945, CAB 79/38.

⁶¹ See Michael Dockrill, *British Defence since 1945* (Oxford, 1988), p.22 and David Sanders, *Losing an Empire, Finding a Role: British Foreign Policy since 1945* (London, 1990), pp.50-52. The classic text on British defence policy before the release of archival material is Corelli Barnett, *The Long Retreat: A Short History of British Defence Policy* (London, 1972).

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B. KOREA IN BRITISH PLANS FOR POSTWAR EAST ASIA

Once Japan had surrendered in August 1945, the Chiefs of Staff had been extremely anxious about involving Britain in an occupation of Korea. The Chiefs of Staff told the British Joint Staff Mission in Washington that: 'we have no military interests in Korea and the provision and maintenance of forces of occupation would be an embarrassment to us'.⁶² The Foreign Office united behind this military appraisal in September 1945. A Foreign Office memorandum stated that British economic interests in Korea were negligible. During the years 1935-1939 the average annual exports from Britain to Korea had amounted to just £156,000 while imports from Korea to the United Kingdom peaked at £9,000. These figures led the Foreign Office to conclude that: 'The United Kingdom has little interest in the future of Korea except for the fact that she is a signatory of the Cairo declaration'. But the Foreign Office was loathe to contemplate a complete indifference over matters on Korea. There was still a fear that Korea contained the seeds for an international dispute and this fact alone, according to the Foreign Office, prevented the adoption of an entirely isolationist policy.⁶³

The immediate interests of the British government lay with events in Southeast Asia. The importance of restoring the Empire which could accrue economic benefits and bolster a British presence in world affairs, directed most of Britain's limited resources and manpower to this region. For the same reasons, Britain's secondary priority in Asia centred upon a return to China and the provision of occupational forces for Japan.⁶⁴ The Foreign Office did not see Korea as a tool that could help re-establish British power and rather saw it as an area that presented more problems than any credible advantages. The

⁶² See 'Occupational Forces for Japan and Korea', JP(45)217(Final), 28 August 1945, CAB 79/38. COS to JSM, COS(W)85, 30 August 1945, F6257/2426/23, FO 371/46476.

⁶³ 'Future of Korea', Foreign Office memorandum, 8 September 1945, F6911/2426/23, FO 371/46476.

⁶⁴ See Chapters III and IV for a detailed analysis of Britain's attitude regarding the restoration of its position throughout Southeast Asia, Japan and China in the immediate aftermath of the war against Japan.

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Foreign Office thought it would be impossible, after forty years of Japanese rule, to find a sufficient number of Koreans with the requisite experience to undertake the administration. The various Korean factions in China and the United States were not considered to be representative of the bulk of the Korean people and seemed continually engaged in inter-party conflicts. The Korean provisional government at Chungking, for example, had not been recognised by any allied powers and the Foreign Office argued that it exercised no authority inside Korea and aroused the suspicion of the Soviet Union, partly on account of certain anti-Soviet statements by some of its leaders.⁶⁵

Apart from these problems, the British also became disillusioned with the American attitude towards them over Korea. On 13 September 1945, John Vincent, the Director of the Office of Far Eastern Affairs at the State Department, tardily informed the British Embassy at Washington that the United States would institute a four-power trusteeship for Korea, and that he had already received Soviet and Chinese agreement to the proposal. Vincent apologised for not having consulted Britain earlier but thought this proposal had been discussed at Yalta, although no decision was taken.⁶⁶ At the Far Eastern Department in the Foreign Office, the initial reaction to Vincent's approach was one of dismay and scepticism. Linton Foulds minuted that: 'The State Department now lamely apologise for not having consulted us earlier, while suggesting that the matter was discussed in an indeterminate manner at Yalta'.⁶⁷ Churchill had already expressly told the Attlee government that an occupation for Korea was not discussed at Yalta.⁶⁸ Frank Roberts, the chargé d'affaires at the British Embassy in Moscow, correctly observed that:

⁶⁵ 'Future of Korea', Foreign Office memorandum, 8 September 1945, F6911/2426/23, FO 371/46476. Cumings, *The Origins of the Korean War, Vol. I*, pp.179-189. Millett explains that as Japanese oppression in Korea had been so ruthless that it had eliminated all but symbolic resistance inside Korea. As a result, there was no Mahatma Gandhi, Aung San, Ho Chi Minh and Mao Tse-tung in Korean history. Millett, 'Understanding Is Better Than Remembering'.

⁶⁶ Halifax to Foreign Office, telegram no.6193, 13 September 1945, F6911/2426/23, FO 371/46476; Acheson to Winant, 13 September 1945, *FRUS, 1945, Vol. VI*, pp.1046-1047 and Harriman and Abel, *Special Envoy*, p.471.

⁶⁷ Foulds, minute, 15 September 1945, F6911/2426/23, FO 371/46476.

⁶⁸ Peck to Sterndale Bennett, letter, 26 August 1945, F5586/364/23, FO 371/46448.

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'at Yalta there were surely Soviet-American conversations about the Far East, including Korea, to which we were not privy'.⁶⁹ Foulds therefore surmised that: 'the motive for bringing us in now is not difficult to discern. The Americans find themselves faced by a Russian Army in Korea along the 38th parallel and want our support for the purpose of changing the situation'. Indeed, Moscow attempted to consolidate its position in the north and prevented any successful liaison with the Americans in the south to co-ordinate Korea's economic rehabilitation.⁷⁰ Foulds, therefore, angrily concluded that the British government was in no way committed to the American proposal, especially as the Foreign Office had already stated that Britain had little interest in the matter.⁷¹

Foulds's superior, Sterndale Bennett, in a calmer frame of mind, still worried that Korea could become a source of international trouble in which Britain would find it hard to maintain a policy of neutrality. He argued that it was perhaps important to quickly fall into line with the ideas of the United States. The head of the Far Eastern Department realised that Britain's maximum contribution could only be in the form of advisers for Korea, while Australia, now demanding a greater say in Asian-Pacific affairs, was likely to lobby for a place as a trustee.⁷² The Economic and Reconstruction Department in the Foreign Office confirmed that, however damaging it might be to Britain's prestige in East Asia, British troops could not be spared for an occupation of Korea. The Economic and Reconstruction Department explained that: 'we have not men or resources to throw about in every corner of the world: we can't even get enough good men for our zone in Germany'.⁷³ The British, therefore, advocated that Australia should now take Britain's

⁶⁹ Roberts to Sterndale Bennett, letter, 26 November 1945, F11191/1394/23, FO 371/46469.

⁷⁰ The Soviet command in North Korea increased its political power through the provincial police, which it controlled and began to force out political opponents. See Van Ree, *Socialism in One Zone*, pp.125-131 and Farrar-Hockley, *The British Part in the Korean War, Part I*, pp.5-6.

⁷¹ Foulds, minute, 15 September 1945, F6911/2426/23, FO 371/46476.

⁷² Sterndale Bennett, minute, 17 September 1945, F6911/2426/23, FO 371/46476 and Winant to Secretary of State, 14 November 1945, *FRUS, 1945, Vol.VI*, pp.1124-1125.

⁷³ Ward, minute, 17 September 1945, F6911/2426/23, FO 371/46476. In 1946, the British taxpayer had to provide for 70 per cent of northwest Germany's food needs which was costing £100m annually. In July 1946, despite French and Soviet objections, the Anglo-American powers

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place as a trustee in Korea, despite a recognition that this would be unwelcome to the Americans.⁷⁴ In October 1945, the Far Eastern (Ministerial) Committee, chaired by Bevin, finally agreed that Korea should be subject to a four-power trusteeship, though some doubt was expressed by British officials as to whether such an agreement would work in practice. Indeed, the Korean people themselves were adverse to such a policy and most had supported a hastily formed interim committee for the preparation of Korean independence in August 1945 which was headed by the moderate left-winger, Yo Un-hyong.⁷⁵

American policy in Korea did, as the British had feared, start to run into trouble by December 1945. Positional papers such as the one produced by the Inter-Area Divisional Committee on the Far East in 1944, rarely touched upon the practical problems that might confront the Americans in an occupation of Korea. America's first political adviser in Korea, H. Benninghoff, described Korea as: 'a powder keg ready to explode at the application of a spark'. Benninghoff informed Byrnes that the Korean translation of independence in the Cairo declaration regarding the term 'in due course' was the equivalent to 'in a few days' or 'very soon'.⁷⁶ The Korean realisation that 'in due course' meant a considerably longer period brought forth a wave of bitterness. Lieutenant-General John Hodge, the commander of American forces in the United States zone in Korea, who had no knowledge of, or regard for, Korea and was

fused their two zones in Germany together. See Anne Deighton, *The Impossible Peace: Britain, the Division of Germany, and the Origins of the Cold War* (Oxford, 1993).

⁷⁴ Ward, minute, 20 September 1945, Broadmead, minute, 20 September 1945, Sterndale Bennett, minute, 22 September 1945 and Cadogan, minute, 22 September 1945, F6911/2426/23, FO 371/46476.

⁷⁵ See minutes in FE(M)(45)3, 25 October 1945, CAB 96/9; Bevin, minute, FE(M)(45)4, 11 December 1945, CAB 96/9 and minutes, FE(M)(45)4, 11 December 1945, CAB 96/9. See also 'Korea', Sterndale Bennett, minute, 20 December 1945, F1697/199/23, FO 371/54249 and Winant to Secretary of State, 14 November 1945, FRUS, 1945, Vol. VI, pp.1124-1125. For a thorough analysis of initial Korean attempts to clamour for reform and independence, before the Soviet-American forces arrived, see Cumings, *The Origins of the Korean War, Vol. I*, pp.68-100. The interim committee collapsed in late 1945 after Yo Un-hyong resigned and Kim Il-sung attacked it as pro-American and pro-Japanese. Hodge finally outlawed it in December 1945. See Van Ree, *Socialism in One Zone*, pp.131-133.

⁷⁶ Benninghoff to Byrnes, 15 September 1945, *ibid*, pp.1049-1053.

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anti-communist, impressed upon his superiors that the dual occupation of Korea thwarted the establishment of a sound economy which in turn hindered preparations for future Korean independence. Hodge pointed out that the Americans were already being blamed for the partition of Korea and resentment was growing fast. He felt that as this situation continued, the United States position in Korea would become increasingly untenable. In his opinion the Koreans did not want communism, but the unsettled conditions and receding hopes for early national sovereignty would push many in Korea to radical leftism, if not raw communism. Hodge threatened that if no corrective action was forthcoming, America and the Soviet Union should: 'leave Korea to its own devices and an inevitable internal upheaval for its self purification'.⁷⁷

Hodge had little experience in politics and was frequently bereft of direction from the State Department. Some of Hodge's own policies and public outbursts proved disastrous.⁷⁸ In the autumn, Hodge was quoted as saying that as far as he was concerned, the Japanese and the Koreans were 'all the same breed of cats'.⁷⁹ This story was bolstered by Hodge's continued employment of the Japanese and collaborationist Korean conservatives in administrative posts. Hodge was responding to local conditions and dire economic circumstances while remaining determined to undermine the left.⁸⁰ Dermot MacDermot, who had been attached to the British Pacific fleet as a political adviser,

⁷⁷ Hodge's remarks are contained in 'Current Situation in Korea', JCS 1483/18, 10 December 1945, RJCS: 1946-1953, MF 158, KCL. A Korean account of Korea's political development during this period can be found in Joungwon Kim, *Divided Korea: The Politics of Development, 1945-1972* (Cambridge, Mass, 1975), pp.47-165.

⁷⁸ Harriman and Abel, *Special Envoy*, pp.543-544.

⁷⁹ De la Mare, minute, 5 September 1946, F12585/199/23, FO 371/54251. William Langdon, Benninghoff's replacement later looked in to the origins of the 'breed of cats' story. It appeared that from the press conference record, the subject discussed at that moment was the Korean police in Japanese service. According to Langdon, Hodge remarked that 'Koreans consider them the same breed of cats as Jap policemen'. Langdon to Secretary of State, 26 November 1945, *FRUS, 1945, Vol VI*, p.1135.

⁸⁰ Hodge's counterpart in the Soviet zone, Colonel-General Ivan Christiakov, immediately replaced the Japanese officials with exiled Koreans. See Stueck, *The Korean War*, pp.20-23 and Weathersby, 'Soviet Aims in Korea', p.13. For a defence of Hodge see Lowe, *Containing the Cold War in East Asia*, p.170 and Matray, *The Reluctant Crusade*, pp.57-58. The most thorough analysis of the turmoil in Korea at this time is to be found in Cumings, *The Origins of the Korean War: Vol.I*, chps.3,5 and 8.

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passed through Korea in December 1945 and confirmed many of the problems that Hodge faced. He told Bevin that: 'the economic condition of the country is governed by the 38th parallel barrier which, if maintained, would cripple it. Most of the mines and industrial equipment are in the north. In southern Korea there are adequate food stocks, but transportation and distribution are in a very unsatisfactory condition'.⁸¹ Officials at the State Department concerned with Korea were aghast at some of Hodge's actions. They held the same fears as Hodge but felt that his policies would lead to a permanent division of Korea and a prolonged Soviet presence in northern Korea.⁸² Despite these problems and Hodge's opposition to trusteeship, at the Council of Foreign Ministers in Moscow during December 1945, Byrnes put forward proposals to Molotov for establishing Korea as an independent state within five years. In the intervening period, the two Foreign Ministers agreed that the territory would be placed under a four-power trusteeship. Byrnes had already told Attlee in November that a trusteeship was the only solution that could prevent Soviet control of Korea but the British were excluded from the Korean discussions in Moscow.⁸³ Unsure of trusteeship and faced with a huge variety of overseas military commitments, Bevin wanted Australia to undertake the burden of the fourth power within Korea.⁸⁴ However, the British with their long tradition of experience in East Asia, clearly felt they had something to offer and did not intend to disassociate themselves entirely from the settlement for Korea. The Foreign Office, for example, were not prepared to let Australia replace Britain in the preliminary

⁸¹ MacDermot to Bevin, telegram no. 80, 29 December 1945, F729/199/23, FO 371/54249. There was also hardship in the north, where the Red Army 'lived off the land', requisitioned food and caused unrest. Van Ree, *Socialism in One Zone*, pp.95-97.

⁸² See Matray, *The Reluctant Crusade*, pp.64-68 and Leffler, *A Preponderance of Power*, p.90.

⁸³ Harriman to Secretary of State, 27 December 1945, *FRUS, 1945, Vol.VI*, p.1150-1151 and Lowe, *The Origins of the Cold War*, p.27.

⁸⁴ Bevin, minute, CM(46)1, 1 January 1946, CAB 128/5 and Dominions Office to Australian government, telegram no.87, 4 March 1946, F1936/199/23, FO 371/54249.

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recommendations to be put forward by the four powers for the trusteeship on the United States-Soviet Joint Commission.⁸⁵

Still, it was clear by early 1946 that the British ability to maintain a military presence in East Asia was rapidly diminishing. In February, Keynes warned the Cabinet that Britain's obligations abroad, together with the prospective military expenditure overseas, would exceed the whole of the projected £937 million American loan which aimed to help Britain during 1946-1951.⁸⁶ This led the Chiefs of Staff to recoil from major responsibilities in East Asia. The Admiralty had already been forced to reduce its total manpower in the Asian-Pacific region by 100,000 to 34,000. The Chiefs of Staff solemnly concluded that: 'it will be necessary to reduce our naval forces in commission to a strength which will allow no margin for emergencies'.⁸⁷ Without a long-term strategy in place and a visible enemy in the Pacific and Indian Oceans after the defeat of Japan, the Admiralty found it hard to justify a presence in these waters.⁸⁸ Once Mountbatten had completed his post-surrender duties in 1946, even the commander of the British Pacific fleet saw little need for a strong naval presence in East Asia.⁸⁹ Meanwhile, occupational requirements in French Indo-China, the Dutch East Indies and Siam meant that the Chiefs of Staff could muster only two brigades for the occupation of Japan, one brigade

⁸⁵ The Foreign Office would consult the Australians on any proposals which the Joint Commission put forward and would take into account any observations that they might have to offer. De la Mare to Davies, letter, 25 February 1946, F1936/199/23, FO 371/54249.

⁸⁶ 'Political and Military Expenditure Overseas', Keynes memorandum, 8 February 1946, Annex to 'The Overseas Deficit', Dalton note, CP(46)58, 8 February 1946, CAB 129/7 and 'The Import Programme, 1947', Dalton memorandum, Ministerial Committee on Economic Planning, MEP(46)10, 23 October 1946, Appendix to 'The Import Programme 1947', Morrison memorandum, CP(46)401, 29 October 1946, CAB 129/4.

⁸⁷ 'Size of the Armed Services', COS memorandum, COS(46)39(0), 10 February 1946, CAB 80/99.

⁸⁸ Alexander, minute for Attlee, 4 September 1945, Annex to 'Hong Kong - Basing of British Pacific Fleet', DO(45)10, 4 September 1945, F6859/1147/10, FO 371/46254 and Attlee, minute, DO(45)7, 5 October 1945, CAB 69/7 and Alexander, minute, COS(46)176, 3 December 1946, CAB 79/54.

⁸⁹ Fraser to Alexander, letter, 23 January 1946, AVAR 5/11/7(a), Alexander papers, CAC. The Admiralty had not been completely oblivious to such a scenario. 'Composition of the Post-War Navy', Director of Plans memorandum, undated, ADM 205/51. For an indepth discussion of British naval policy in Asia and the Pacific see Murfett, *In Jeopardy*.

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for Hong Kong and a single infantry brigade to meet any other crises in Asia.⁹⁰ The consequences of failing to rapidly demobilise made themselves clearly evident in 1946. Uncomfortable climatic conditions, relative inactivity and the desire to return home hit British morale hard in Asia. These factors had led the commander of the British Pacific fleet to request the immediate reduction of manpower in his naval units.⁹¹ When the RAF defiantly attempted to slow down releases during 1946, 'a large number of airmen' at Maunipur, near Karachi, refused to return to duty leaving the Air Ministry facing an open revolt.⁹² As the British desperately tried to defend its imperial commitments, a military responsibility in Korea, that had little bearing on the revival of Britain's economic or international political position, was seen as an entirely unnecessary obligation.

IV. British Strategic Interests, Korea and the Origins of the Cold War

A. THE ORIGINS OF THE COLD WAR

After the defeat of Japan, the British politico-military planners had hoped that the United States would continue to co-operate with them in international affairs.⁹³ The British government presumed that its historical experience in diplomacy could be allied to the power of the American novice.⁹⁴ It was unlikely, though, that the United States, with its

⁹⁰ Alexander, minute, DO(45)6, 14 September 1945, CAB 69/7. Even the introduction of conscription did not alleviate the problem. See Gorst, "We must cut our coat according to our cloth": the making of British defence policy, 1945-8', p.150.

⁹¹ Fraser to Alexander, letter, 23 January 1946, AVAR 5/11/7(a), Alexander papers, CAC.

⁹² The RAF argued that they had suffered from a poor recruiting campaign. "Strikes" in the RAF', Secretary of State for Air memorandum, CP(46)25, 27 January 1946, CAB 129/6; 'The Size of the Royal Air Force at the end of 1946', DeFreitas memorandum, CP(46)312, 30 July 1946, CAB 129/12 and Tedder, minute, CM(46)76, 1 August 1946, CAB 128/6. *

⁹³ The FECPU had been working with PHP assumptions which called into question much of its strategic thinking. 'British Foreign Policy in the Far East', FECPU memorandum, GEN 77/94, 14 January 1946, CAB 130/5.

⁹⁴ Donnelly, minute, 5 September 1945, AN2560/22/45, FO 371/44557 and Penney to his wife, letter, 3 September 1945, 4/35, Penney papers, KCL. See also Michael Hopkins, 'Focus of a Changing Relationship: The Washington Embassy and Britain's World Role Since 1945', *Contemporary British History*, Vol.12 No.3 (Autumn 1998), p.105; idem, 'The Washington Embassy: The Role of an Institution in Anglo-American Relations, 1945-55' in Michael Hopkins and Richard Aldrich(eds.), *Intelligence, Defence and Diplomacy: British Policy in the Postwar World* (London, 1994), pp.79-99 and Ryan, *The Vision of Anglo-America*, pp.18-20.

* In late January 1946, the Commanding Officer, together with the Inspector General, 96 addressed 2,000 men at Maunipur to make it clear that this was a gross breach of discipline. *The Times*, 24 January 1946.

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strong opposition to imperialism, would readily prop up Britain's position in East and Southeast Asia.⁹⁵ In other areas, such as atomic research, the Americans, through the McMahon Act of August 1946, decided to abandon the wartime co-operation between Britain, Canada and the United States. Lingering isolationism and a public clamour for rapid demobilisation, limited the Truman administration's ability to defend its strategic concerns.⁹⁶ Without an American commitment to the defence of Western Europe, and given the weakness of the French and British armies, the construction of a British bomb appeared to be the only means of resisting a potential Soviet military threat.⁹⁷ In the initial postwar period, Truman and Byrnes, like Roosevelt, did not want to give Stalin the impression that the Anglo-American powers were ranging against the Soviets.⁹⁸ This was prevalent in Byrnes's attempts to deal unilaterally with the Soviet Union over Korea in Moscow. On Korea and other issues, Bevin began to resent Byrnes's independent actions that inflicted damage on Britain's world power status and ostracised the latter from international policy-making.⁹⁹ However, Koreans in the south violently protested against the Moscow proposals for trusteeship while Truman, also alarmed by Byrnes's unilateral control of foreign policy, was not enamoured with the concept either.¹⁰⁰

⁹⁵ Sumner Welles, 'Course of Empire: British Self-Government Policy', *Washington Post*, 2 July 1946.

⁹⁶ Robert Pollard, 'The national security state reconsidered: Truman and economic containment, 1945-1950' in Lacey(ed.), *The Truman Presidency*, pp.207-208.

⁹⁷ Accordingly in 1946, a secret Cabinet Committee of senior ministers, headed by Attlee, authorised the production of a British nuclear device and the huge expenditure was buried in miscellaneous estimates. See Dockrill, *British Defence Since 1945*, pp.25-26.

⁹⁸ Gaddis, 'The insecurities of victory', pp.244-245.

⁹⁹ Byrnes had also made demands for British bases in the Pacific during October 1945 and he had failed to consult Bevin regarding his proposal for another meeting with Molotov in December 1945. 'United States Requests for Bases', Bevin memorandum, DO(45)38, 29 November 1945, CAB 69/7. See Bullock, *Ernest Bevin*, pp.17-18, 125, 199-200.

¹⁰⁰ After Byrnes had returned from Moscow, his influence with Truman was never quite the same and he had less freedom to manoeuvre in the field of foreign policy. See Truman to Byrnes, letter(unsent), 5 January 1946, Ferrell(ed.), *Off the Record*, pp.79-80; James Byrnes, *Speaking Frankly* (London, 1947), chp.6; Messer, *The End of an Alliance*, chp.9 and James Chace, *Acheson: The Secretary of State Who Created the American World* (New York, 1998), p.130. Stalin would later grumble to Harriman that the Americans appeared to be backtracking on the idea of trusteeship. See Harriman and Abel, *Special Envoy*, pp.532-533. On Korean opposition to trusteeship see Van Rie, *Socialism in One Zone*, pp.142-143; Cumings, *The Origins of the Korean War, Vol.I*, pp.220-227

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The cooling of Anglo-American relations should not be overestimated. United States officials did realise that British and American interests were mutual and interdependent. What London objected to, the State Department argued, was that Washington desired future co-operation to be on American terms.¹⁰¹ Furthermore, although Britain had little in the way of financial resources, its global geo-strategic position was of particular value to the United States.¹⁰² If war broke out between the Anglo-American powers and Soviet Russia, United States Air Force planners wanted British bases in the Middle East to attack Soviet oil supplies. Meanwhile, the possibility of using bases in northwest India similarly allowed Britain and America to reach Siberian industrial areas.¹⁰³ Underground collaboration between the American and British Chiefs of Staff also continued after the Second World War, especially as Britain's intelligence capabilities remained considerable. Co-operation at this level continued secretly unabated, along with operational analysis, officer training and research and development.¹⁰⁴ By July 1946, the American loan had come to the rescue of the struggling British economy and in September 1946 Byrnes announced that American forces would not be speedily evacuated from Europe.¹⁰⁵

These American policy decisions had resulted from the rapidly changing international picture in 1946.¹⁰⁶ Stressing the need for a strong Anglo-American stand against Soviet

¹⁰¹ Leffler, *A Preponderance of Power*, p.62.

¹⁰² 'Analysis of the present attitude of the United States', Balfour memorandum in Halifax to Foreign Office, telegram no.1588, 12 December 1945, Roger Bullen and M.Pelly(eds.), *Documents on British Policy Overseas (DBPO), Series I, Volume IV: Britain and America: Atomic Energy, Bases and Food 12 December 1945-31 July 1946* (London, 1987), p.3. See Richard Aldrich, "The Value of Residual Empire": Anglo-American Intelligence Co-operation in Asia after 1945' in Aldrich and Hopkins(eds.), *Intelligence, Defence and Diplomacy*, pp.226-258.

¹⁰³ 'Future Defence Policy', DO(47)44, 22 May 1947, DEFE 4/4 and Richard Aldrich and Michael Coleman, 'Britain and the Strategic Air Offensive Against the Soviet Union: The Question of South Asian Air Bases, 1945-9, *History: The Journal of the Historical Association*, Vol.74 No.242 (October 1989), pp.400-426.

¹⁰⁴ Alex Danchev, 'In the back room: Anglo-American defence co-operation, 1945-51' in Aldrich(ed.), *British Intelligence, Strategy and the Cold War*, p.221 and Joint Staff Mission(Washington) to Cabinet Office, telegram no.JSM 182, 9 February 1946, Bullen and Pelly(eds.), *DBPO, Series I, Volume IV*, p.93.

¹⁰⁵ Dockrill, *British Defence Since 1945*, pp.25-26 and Young, *Britain and the World*, p.155.

¹⁰⁶ Byrnes had not endeared himself to an increasingly anti-Soviet American public after his concessionary policies at Moscow in December 1945. See Messer, *The End of an Alliance*,

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ambitions in East Asia, the Middle East and Eastern Europe, Churchill delivered his 'Iron Curtain' speech at Fulton in Missouri during March 1946 and argued that Soviet expansion was limitless. This speech helped to strengthen the determination of Truman and his advisers to contain the Red Army on the Soviet periphery. On the same day as Churchill's speech, the State Department sent notes to Moscow, demanding explanations for the continued presence of Soviet troops in Manchuria and northern Iran.¹⁰⁷ George Kennan and Frank Roberts, at the American and British Embassies in Moscow, had long been sending warning's about Soviet behaviour since 1945.¹⁰⁸ Confrontation over Soviet attempts to establish a puppet regime in northern Iran marked a new phase in the Cold War. Churchill's speech, Stalin's February declaration of the incompatibility of communism and capitalism and Kennan's 'Long Telegram', embodied a new emphasis of confrontation rather than co-operation.¹⁰⁹ Kennan had suggested that genuine security for Soviet Russia could only be obtained when it had achieved the total destruction of the democratic world. This analysis now received widespread support from the State, War and Navy Departments.¹¹⁰ Similarly, the Chiefs of Staff had, since 1944, seen the Soviet Union as an emerging threat, but the Foreign Office was reluctant to dismiss the

pp.31-155.

¹⁰⁷ See Fraser Harbutt, *The Iron Curtain: Churchill, America and the Origins of the Cold War* (New York, 1986), pp.179-223; Truman, *Memoirs, Vol.I*, pp.551-552 and Gaddis, *We Now Know*, p.31. See also Robert Frazier, 'Did Britain Start the Cold War?', *Historical Journal*, Vol.27 No.3(1984), pp.715-727.

¹⁰⁸ See Kenneth Jensen(ed.), *Origins of the Cold War: The Novikov, Kennan and Roberts 'Long Telegrams' of 1946* (Washington 1991); Frank Roberts, *Dealing with Dictators: The Destruction and Revival of Europe, 1930-1970* (London, 1991), pp.107-110. Kennan joked with Roberts that it was rather a waste of time having two Embassies when one would do. See S.Greenwood, 'Frank Roberts and the "Other" Long Telegram', *Journal of Contemporary History*, Vol.25 No.1(1990), pp.103-122 and John Zametica, 'Three Letters to Bevin: Frank Roberts at the Moscow Embassy, 1945-46' in John Zametica(ed.), *British Officials and British Foreign Policy, 1945-50* (London, 1990), pp.39-97.

¹⁰⁹ Harbutt, *The Iron Curtain*, pp.260-261 and Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.35.

¹¹⁰ Kennan also argued that the very insecurity of Soviet leadership, born from Russia's past and the régime's paranoid fear of contact with outside world made co-operation impossible. George Kennan, *Memoirs: 1925-1950* (Boston, 1967), pp.290-297. See also Michael Cox, 'Requiem for a Cold War Critic: The Rise and Fall of George F.Kennan 1946-1950', *Irish Slavonic Studies*, No.11, 1990(1991), pp.2-5 and Leffler, *A Preponderance of Power*, p.109.

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concept of 'Big Three' co-operation until 1946.¹¹¹ The Foreign Office did not believe that Stalin wanted war, but now presumed that the Soviet Union would attempt to extend its influence, taking advantage of the postwar chaos in Europe and Asia.¹¹² Henceforth, a Russia Committee was set up by the Foreign Office in April 1946 to monitor all aspects of Soviet policy and Britain actually took the lead in mounting an anti-communist propaganda offensive during this period.¹¹³ At this stage, Bevin still had doubts about an open policy of confrontation with the Soviet Union. However, American help in obstructing Soviet expansionist aims in the Middle East, a principal area of British imperial interest, was seen as essential in order to preserve the British Empire, whatever the long term implications.¹¹⁴

~~As expressions of doubt began to surface over Stalin's postwar intentions, the Chiefs of Staff and the Foreign Office battled to preserve Britain's strategic interests. During 1946 and 1947, for example, the Chiefs of Staff argued for a continued British presence in the Middle East against Attlee's objections. The granting of independence to India and Ceylon in 1947 had led Attlee to question the raison d'être of British strategic interests in the eastern Mediterranean and the Middle East. He felt it better to concentrate on the defence of the western Mediterranean and the Atlantic Ocean.~~¹¹⁵ Both Bevin and the

¹¹¹ See Hood, minute, 5 October 1944, U77658/748/G, FO 371/40741A; Foulds, minute, 14 February 1945, U890/36/70, FO 371/50774 and 'British Postwar Strategic Interests in Southeast Asia and the Pacific: Summary of minutes on PHP(44)6(0)(Final)', Foreign Office memorandum, no date, *ibid.* See also diary entry for 27 July 1944 in Bryant, *Triumph in the West*, p.242; Warner, 'From ally to enemy' *Britain's Relations with the Soviet Union, 1941-1948*, pp.221-232; G.Ross, *The Foreign Office and the Kremlin* (London, 1984) and Rothwell, *Britain and the Cold War 1941-7*.

¹¹² Sargent to Hollis, letter, 1 October 1946 in 'Strategic Aspects of British Policy', COS(46)239(0), 5 October 1946, U2930/2390/10, FO 371/57315.

¹¹³ See Ray Merrick, 'The Russia Committee of the British Foreign Office and the Cold War, 1946-47', *Journal of Contemporary History*, Vol.20 No.4 (October 1985), pp.453-468 and Christopher Andrew, 'Intelligence and international relations in the early Cold War', *Review of International Studies*, Vol.24 No.3 (July 1998), p.323. By 1947 the Foreign Office were briefing journalists about the need to defend Britain's policies against 'scurrilous' Soviet propaganda and attempted to counter-attack this by informing the public of the true nature of Soviet intentions. See Tony Shaw, 'The British Popular Press and the Early Cold War', *History: The Journal of the Historical Association*, Vol.83 No.269 (January 1998), pp.66-85.

¹¹⁴ Kent, *British Imperial Strategy*, pp.96-97.

¹¹⁵ ~~Attlee questioned the social fabric of Egypt and Iraq as well. See Attlee, minute, COS(47)74, 11 June 1947, DEFE 4/4; Howe, minute for Sargent, 17 May 1946, N6733/140/38, FO 371/56784 and Dockrill, *British Defence Since 1945*, pp.28-31.~~

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Chiefs of Staff were sure that ~~such a~~ ^{British from the Middle East} withdrawal would allow the Soviets to fill the vacuum and prepare the way for further infiltration into both Asia and Africa.¹¹⁶ Bevin was on good terms with the Chiefs of Staff, kept in close touch with Eden, and saw foreign policy in national not party terms.¹¹⁷ Britain's world power status depended on a dominant position in the Mediterranean and the Middle East. The Middle East provided Britain with valuable oil supplies from Iran and the Persian Gulf, acted as a visible sign of British victory against German and Italian forces in North Africa and, most important of all, ~~was deemed a vital area in Britain's strategic concept for global war.~~¹¹⁸

Soviet attempts to set up secessionist movements in northern Iran ~~and its demands for territorial concessions in eastern Turkey to gain access to the Mediterranean,~~ reinforced Bevin's and the Chiefs of Staff's fear regarding Soviet expansion in the Middle East. Yet, when Stalin was confronted with Anglo-American objections to his ambitions in Iran and Turkey during 1946, he backed down. According to Molotov, this did not mean that Stalin had limited objections, only that he had no timetable for achieving them: 'Our ideology stands for offensive operations when possible, and if not, we wait'.¹¹⁹ Although Attlee had a case in point, when he argued that the Soviet Union might see a British military presence in the Middle East as provocative, withdrawal from the

¹¹⁶ 'Future Defence Policy', DO(47)44, 22 May 1947, DEFE 4/4. See also 'Relations with the Russians', JIC(45)299(Final), 18 October 1945, CAB 79/40; 'Summary of the Principal External Factors Affecting Commonwealth Security', JIC(47)65(0)Final., 29 October 1947, CAB 158/2 and Bevin, minute, COS(47)74, 11 June 1947, DEFE 4/4. See Richard Aldrich, 'British Intelligence and the Anglo-American "Special Relationship" during the Cold War', *Review of International Studies*, Vol.24 No.3 (July 1998), pp.332-333. Although Bevin realised that a reduction in overseas commitments could not be resisted indefinitely, he was opposed to abrupt withdrawal from any British sphere of influence at least until alternative arrangements could be made to prevent a vacuum being filled by a hostile power. Bullock, *Ernest Bevin*, pp.111-112, 237.

¹¹⁷ *ibid.*, pp.56, 98.

¹¹⁸ Tizard, minute, COS(47)74, 11 June 1947, DEFE 4/4. ~~The report was finally approved and~~ COS minutes, COS(47)74, 11 June 1947, *ibid.* See Richard Aldrich and John Zameitka, 'The rise and decline of a strategic concept: the Middle East, 1945-51', in Aldrich(ed.), *British Intelligence, Strategy and the Cold War*, pp.236-274; Leffler, *A Preponderance of Power*, pp.80-81; Kent, *British Imperial Strategy*, chps.3 & 4; Wm Roger Louis, *British Empire in the Middle East, 1945-51: Arab Nationalism, the United States, and Postwar Imperialism* (Oxford, 1984) and David Devereux, *The Formulation of British Defence Policy in the Middle East, 1948-1956* (London, 1990) for a detailed analysis of British policy in the Middle East and Africa during this period.

¹¹⁹ Gaddis, *We Now Know*, p.31 and Mastny, *The Cold War*, p.23.

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region would have undoubtedly indicated weakness and presented Moscow with a chance for 'offensive operations'.¹²⁰

B. THE EARLY POSTWAR DEVELOPMENT OF KOREA

Developments in Korea reflected similar tensions between the West and the Soviet Union. By 1946, Sir Orme Sargent felt sure that: 'The Far East seems destined to be the principal scene of a conflict of interests between the Soviet Union and the United States'. Sargent correctly argued that Soviet and American policies in Korea had now become contiguous and that a direct clash between the two powers was to be expected.¹²¹ Harriman, in conversation with General Douglas MacArthur, the Supreme Commander Allied Powers in Japan(SCAP), believed that the Soviets were determined to establish 'political domination' as they had in Eastern Europe, in order 'to expand their narrow strategic position in the Far East'.¹²² The deliberations of the American-Soviet Joint Commission in Korea during early 1946 confirmed these deepening suspicions. The Soviet delegation, headed by General Shtikov, opposed all schemes for unification, the free movement of goods, services and ideas. Shtikov also insisted upon the deliveries of impracticable quantities of rice, rejecting American evidence that such quantities could not be spared.¹²³ Hodge had wanted to form a 'Korean Consultative Union' that would represent all democratic parties, offer advice to the Commission and choose members for a Korean government. The Soviet delegation demanded separate consultation with

¹²⁰ Aldrich and Zametica, 'The rise and decline of a strategic concept: the Middle East, 1945-51', pp.251-252 and Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.43.

¹²¹ Sargent to Hollis, letter, 1 October 1946 in 'Strategic Aspects of British Policy', COS(46)239(0), 5 October 1946, U2390/2390/10, FO 371/57315. Frank Roberts held the same opinion as Sargent. See Roberts to Sterndale Bennett, letter, 11 April 1946, F6082/199/23, FO 371/54250. In fact, the British Foreign Office believed that a major clash of arms between the Western democratic powers and the Soviet Union was more likely to occur in Asia where America was playing the leading hand. Foreign Office memorandum, 1 April 1946, Bullen and Pelly(eds.), *DBPO, Series I, Volume IV*, pp.202-204.

¹²² Harriman and Abel, *Special Envoy*, p.542.

¹²³ Roberts to Sterndale Bennett, letter, 11 April 1946, F6082/199/23, FO 371/54250.

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each party, no inter-zonal meetings of Korean leaders, and the exclusion of all parties hostile to the policy of trusteeship which effectively meant every right-wing political party.¹²⁴ Stalin had backed the strong line taken by the Soviet delegation and baulked against the idea of a unified Korea that gradually marked the polarisation of the country.¹²⁵ British intelligence correctly concluded that: 'it appears that the Russians were under definite instructions to bring about the failure of the conference'. Shtikov and his staff were described as having been arrogant and unco-operative from the start. They avoided social contacts with the Americans and complained incessantly about their reception and accommodation.¹²⁶

The United States-Soviet Joint Commission, in a state of deadlock, adjourned for a year in May 1946, to which Frank Roberts noticed a distinct sharpening in the tone of the Soviet Press towards America in connection with Korea.¹²⁷ As relations between America and the Soviet Union worsened, Roberts surmised that the long term prospects in Korea were gloomy. He recognised that the Soviets had a close knit organisation in the north and with the gradual relaxation of American control, would probably be able to dominate the whole country.¹²⁸ Roberts made no mention of the possible implications that such an outcome would have on British and American interests in East and Southeast Asia. These facts led the American War Department to question the presence of American forces in Korea.¹²⁹ Indeed, this American indifference left the Far Eastern Department of the Foreign Office feeling that the United States was prepared to 'sell out' to Stalin over Korea in order to consolidate their position against the Soviets in Japan. Strategically, the Far Eastern Department questioned the desirability of such a move. It

¹²⁴ Weathersby, 'Soviet Aims in Korea', p.17; Van Ree, *Socialism in One Zone*, pp.143-144, 147 and Harriman and Abel, *Special Envoy*, pp.543-544.

¹²⁵ Van Ree, *Socialism in One Zone*, pp.208-209.

¹²⁶ DNI to MacDermot, letter, 22 August 1946, F12380/199/23, FO 371/54251.

¹²⁷ Roberts to Foreign Office, telegram no. 1771, 18 May 1946, N6502/971/38, FO 371/56840.

¹²⁸ Roberts to Sterndale Bennett, letter, 11 April 1946, F6082/199/23, FO 371/54250.

¹²⁹ Leffler, *A Preponderance of Power*, p.167.

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saw South Korea as 'an excellent jumping-off place' for possible operations directed against Japan, the Chinese seaboard and southwards into the Pacific. Soviet domination of the whole Korean peninsula would also bring the Red Army to within one hundred miles of the prefectures of western Japan administered by the British Commonwealth forces of occupation.¹³⁰

During 1946, United States intelligence estimates received by the British Embassy at Moscow, anxiously confirmed that the Red Army was still keeping a large number of troops in North Korea approximating 250,000 men.¹³¹ Meanwhile, the British Consul-General in Seoul, Derwent Kermode, reported that ordinary people in the north of Korea could only secure a rice ration by joining the Communist Party or other approved societies.¹³² American agents were struck by the volume of Soviet propaganda in North Korea and gained the impression that the revival of industry in the region was strictly on Soviet lines.¹³³ These developments led one British official to minute that: 'it does not of course follow that the Russians in fact intend to attack the Americans, but they do appear to be in a dangerous frame of mind'.¹³⁴ In June 1946, attempting to remedy the situation, William Langdon, Hodge's new political adviser, asked Kermode if the British government, as a party to the Moscow decisions, would consider approaching the Soviet Union in order to bring about a resumption of ^{the} United States-Soviet Joint Commission. Kermode immediately advanced his own personal opinion that the British

¹³⁰ De la Mare, minute, 30 April 1946, F6082/199/23, FO 371/54250 and 'Korea', Foreign Office memorandum, 21 May 1946, F8060/199/23, FO 371/54250.

¹³¹ Roberts to Foulds, letter, 24 May 1946, F7994/199/23, FO 371/54250.

¹³² Charges of 'collaboration' were levelled at all prominent persons for class ends, thus emptying the north of talent and administrative experience. Kermode's views transmitted by Morland to Foreign Office, telegram no.615, 6 June 1946, F8473/198/23, FO 371/54247.

¹³³ The American agents had been attached to the Edwin Pauley Commission on reparations that visited Korea in 1946. See Morland to Foreign Office, telegram no.689, 21 June 1946, F9247/199/23, FO 371/54250. Five Soviet Ministries had their representatives in North Korea. The Soviets formed their own communities in Pyongyang, Hungnam and Chongjin that also harnessed a network for hundreds of military and civilian advisers. The propaganda machine was entitled the Society for Cultural Relations that had its roots even in the villages. See Van Ree, *Socialism in One Zone*, chp.11.

¹³⁴ De la Mare, minute, 6 June 1946, F8473/198/23, FO 371/54247.

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government would be too busy with its own problems to risk entanglement in Korea. Kermode had arrived in Korea during April 1946. His residence was depressing and water shortages made baths difficult while a lack of glasses forced him to use jam jars to serve drinks. Furthermore, without a safe, Kermode could not use cyphers, precluding a secure means of communication and almost all telegraphic material had to be sent to Tokyo for transmission. Kermode would inform London that the Soviet-American impasse over Korea was part of 'a general world pattern' and that the longer the situation was left to drift, the more difficult a solution would become.¹³⁵

Kermode's colleagues at the Foreign Office agreed with his analysis.¹³⁶ But Foulds, still reeling from American actions towards Britain over Korea in the immediate aftermath of the Japanese surrender, thought it was clear that: 'neither the Russians nor the Americans appeared at [any] time to want our help, and it is difficult to see why we should now take up Mr.Langdon's hole-in-the-corner suggestion just because the Russians and the Americans find themselves unable to agree'.¹³⁷ Foulds's new superior, the under-secretary of state for Far Eastern affairs, Esler Denning, concurred and recorded that:

One always had this feeling that [the Americans] did not realise the full implications of what they were taking on. Today it would almost seem that, realisation having come to them, they are unready or unwilling to face the consequences of their action in planting themselves in an area where the Soviet Union is determined to dominate. It will be a sad blow to the Western democracies if America beats a retreat.

But if the United States did not 'beat a retreat', Denning felt that they must be prepared to face up to a bitter struggle, in which the Americans would look to Britain for at least

¹³⁵ Kermode's view in Morland to Foreign Office, telegram no.683, 20 June 1946, F9219/199/23, FO 371/54250 and J.Hoare, *Embassies in the East: The Story of the British Embassies in Japan, China and Korea from 1859 to the Present* (Surrey, 1999), p.196.

¹³⁶ The underlying fear was that if a serious dispute did break out over Korea it was difficult to see how Britain could remain neutral. De la Mare, minute, 24 June 1946, F9219/199/23, FO 371/54250.

¹³⁷ Foulds, minute, 27 June 1946, F9219/199/23, FO 371/54250. •

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moral support. The British were not prepared, however, to get entangled in attempts to save the Joint Commission.¹³⁸ There was little discussion about the repercussions of a Soviet-dominated Korea on bolstering communist elements in China and Southeast Asia that directly affected British interests.

The Commission's failure brought forth a wave of nationalism in South Korea. Rightist parties combined to form a new united front, called the Racial Nationalist Union, and on 12 May 1946, it held a monster demonstration that began with inflammatory speeches and ended in rioting.¹³⁹ The re-establishment of a viable rightist party in Korean politics was augmented by Dr Syngman Rhee. A firm opponent of Japanese colonialism, Rhee had participated in the Korean government-in-exile at Shanghai, but eventually severed his ties with this organisation. Rhee spent a large proportion of his life in America, gaining a doctorate from Princeton University. He made valuable contacts with senior American officials, such as the deputy head of OSS, Colonel M. Goodfellow, and during February 1946, the latter along with Hodge, helped install Rhee as the leader of the Representative Democratic Council. This American attempt to construct a viable anti-communist rightist party received much support from Washington at a time when global relations with the Soviet Union were deteriorating rapidly.¹⁴⁰ But as Kermode observed, Rhee was more interested in his own fortunes than in the welfare of the people to commend himself as the nation's future leader.¹⁴¹ The

¹³⁸ Dening, minute, 29 June 1946, F9219/199/23, FO 371/54250.

¹³⁹ The *Great Eastern Daily News* also conducted an increasingly bold campaign, inciting the murder of leftist leaders. On 13 May it openly praised a would-be assassin for his attempt on the life of Lyuh Woon Hyeung, the People's Party Leader. Hodge felt that the time had now come to cool the rising passions. The offending newspaper was suspended for three weeks and the whole Press were given warnings. Kermode to Far Eastern Department, telegram no.8, 5 June 1946, F10408/199/23, FO 371/54251.

¹⁴⁰ See Cumings, *The Origins of the Korean War*, Vol.I, chp.6; Lowe, *The Origins of the Korean War*, pp.25-26, 33-36; idem, *Containing the Cold War in East Asia*, p.168 and for a detailed study on Rhee see R. Oliver, *Syngman Rhee and American Involvement in Korea, 1942-1960* (Seoul, 1978).

¹⁴¹ The Korean Press had already accused Rhee of forming a company with Goodfellow, which was mostly concerned with gold and silver, and claimed that when Rhee's government was established he would give this company monopoly rights. Kermode certainly witnessed the constant and close association between the two and British intelligence had also noted the

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British Consul-General described Rhee as a 'megalomaniac' bent on achieving his ambitions of Korean unity at any price.¹⁴² Rhee's attempts to gain recognition met with strong opposition from the British government. When Rhee sent a representative to London on the pretext of discussing Anglo-Korean trade, the Foreign Office did not accord him any official status.¹⁴³

On the other side of the 38th parallel, Kim Il-sung, named the secretary of the 'Northern Bureau' in the Korean Communist Party during August 1945, took less than a year to remove all opposition to his rule in the north. An assassin killed the leading communist leader, *Hyon Chun-hyok*, in northern Korea and Kim's faction, the 'Soviets', pushed many of its rivals from Yenan into peripheral positions.¹⁴⁴ As Korean leaders consolidated their positions in the north and south, British intelligence assessed that there could be no restoration of the country's prosperity until the two occupation zones were reunited.¹⁴⁵ The south, for example, was deprived of access to northern electric power, coal and minerals. With the Chinese and Japanese economies struggling to recover from the war, inflation and limited American economic aid did not auger well for Korean prosperity.¹⁴⁶ By late 1946, the Far Eastern Department at the Foreign Office perceived that America was gradually losing the ideological struggle in Korea, stating quite bluntly that: 'the

rumours. Kermode to Far Eastern Department, telegram no.8, 5 June 1946, F10408/199/23, FO 371/54251. DNI to MacDermot, letter, 22 August 1946, F12380/199/23, FO 371/54251.

¹⁴² Kermode to Foreign Office, telegram no.7, 6 February 1947, F1712/54/81, FO 371/63831. The only outstanding Korean leader was thought to be Cho Man Sik of the Chosun Democratic Party. He had been renowned as the 'Korean Ghandi' but had unfortunately been imprisoned in North Korea during February 1946. DNI to MacDermot, letter, 22 August 1946, F12380/199/23, FO 371/54251.

¹⁴³ The Foreign Office reported that Rhee's representative, Mr. Limb, on the assumption that the British could know nothing about Korea, made no effort to separate fact from fiction and painted a picture of the ability of his Democratic Party to unite with North Korea and rule the country which bore no resemblance to the facts. Foreign Office to Kermode, telegram no.17, 27 February 1946, F2095/54/81, FO 371/63831.

¹⁴⁴ Millett, 'Understanding Is Better Than Remembering'.

¹⁴⁵ DNI to MacDermot, letter, 22 August 1946, F12380/199/23, FO 371/54251.

¹⁴⁶ The Red Army had stripped their zone of economic assets and left businesses and farms in northern Korea also struggling to survive. Harriman and Abel, *Special Envoy*, p.543 and Millett 'Understanding Is Better Than Remembering'.

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United States military government is not up to its job'. America's lack of experience in Korean affairs, the influx of over 2 million refugees, widespread poverty and the fact that the Soviet zone possessed all the material advantages, left United States personnel in Korea with a feeling of frustration and despair.¹⁴⁷ The Foreign Office had no alternative answers and although Britain possessed a wealth of experience in East Asian affairs it was unwilling to become involved in the Korean imbroglio. This clearly indicated that the British thought Korea possessed little strategic advantage in the emerging global Cold War.

V. The Move Towards a Permanent Division of Korea

In 1946, the Foreign Office agreed with a new American policy for Korea which encouraged the development of an interim policy specially suited to the southern zone. SWNCC aimed to encourage the employment of Koreans suitable for high government posts which would work towards a unified administration for Korea. This would be backed up by liberal assistance to educational establishments. SWNCC also argued for the rehabilitation of agricultural and industrial areas without attempting to set up units in the south that undermined those already existing in the north. Approving these recommendations, Truman defiantly stated that: 'our commitment for the establishment of an independent Korea requires that we stay in Korea long enough to see the job through and that we have adequate personnel and funds to do the job'.¹⁴⁸ It was unfortunate that the Foreign Office belatedly learnt of this American shift in policy and only then, through an article in the *Scotsman*. Disappointed by the lack of frankness, the Foreign Office argued that this attitude was symptomatic of an American conviction

¹⁴⁷ The Far Eastern Department felt that the Americans understood Korean manners, traditions and customs far less than did the Japanese De la Mare, minute, 5 September 1946, F12585/199/23, FO 371/54251. See 'United States Policy in Korea', note by secretaries to JCS, JCS 1483/49, 15 January 1948, RJCS: 1946-1953, MF 51, KCL.

¹⁴⁸ 'Proposed Negotiations with the USSR over Korea on a Governmental Level', SWNCC 176/22, 22 July 1946, RJCS: 1946-1953, MF 51, *ibid.* Dominions Office to Australian government, telegram no.282, 19 August 1946, F10974/199/23, FO 371/54251.

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across East Asia that Britain would fall into line with American policy. The Foreign Office angrily concluded that: 'we must sooner or later let them know that our subservience cannot always be taken for granted'. Yet, the Foreign Office did not disagree with these American policy decisions and at a time of confrontation with Stalin in the Middle East and Mediterranean, did not want to be accused of destroying a united front against the Soviets.¹⁴⁹

Despite a change in United States policy, communist attempts to undermine South Korea continued throughout 1946. On 14 August 1946, Kermode reported that a plot had been uncovered to sabotage American military installations and stir up trouble in southern Korea. One of the men arrested admitted that he had attended a sabotage training course in northern Korea and had received instructions from there. Kermode remained convinced that, as soon as all forces were withdrawn from Korea, the country would fall very quickly under communist domination. Britain's Consul-General explained that Koreans in the south had been left in no doubt by events in the Soviet zone of the communist capacity for liquidating political opponents. Kermode concluded that: 'whatever cause for suspicion the Western allies may have given Russia in the past, the fact remains that a steady outward expansion, clearly visible here in Korea, is in progress'.¹⁵⁰ The Foreign Office commented that it was difficult to see what more the Americans could do in Korea to stem the tide of the Soviet advance, other than increase their forces in Korea to a size approximating the Red Army in the northern zone. Yet, the Foreign Office recognised that: 'This they would never surely do, and it is only by so doing that they could prevent in the long run the whole of Korea from being contaminated by the Soviet virus'.¹⁵¹ However, both Kermode and the Foreign Office showed no signs of panic about a possible Soviet domination of Korea.

¹⁴⁹ De la Mare, minute, 30 July 1946, F10974/199/23, FO 371/54251.

¹⁵⁰ Kermode to Bevin, telegram no.16, 14 August 1946, F13224/199/23, FO 371/54251.

¹⁵¹ Lloyd, minute, 16 September 1946, F13224/199/23, FO 371/54251.

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MAP SIX: SOUTHERN KOREA, 1945-1947



Source: Anthony Farrar-Hockley, *The British Part in the Korean War, Part I: A Distant Obligation* (London, 1990). Reproduced by kind permission of the Historical and Records Section at the Cabinet Office.

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Indeed, military reports continued to suggest during 1946 that the Soviets intended to forcibly unify the whole of Korea. Colonel Figgess, the British acting military adviser in Japan, reported that Hodge had evidence that the Soviets were preparing for an invasion to take place in the autumn of 1946 after the rice harvest had been collected. The invasion would not be undertaken by Soviet troops but by a force of Koreans armed and trained by the Red Army and led by former commanders of the old Chinese communist Eighth Route Army.¹⁵² Meanwhile, six members of the House of Military Affairs Committee from the United States Congress had already publicly expressed their grave concern over Stalin's intentions in East Asia. One member considered that there was an imminent danger of another 'Pearl Harbor' in Korea while another wondered why the Soviets were maintaining five times the number of occupational troops the Americans had.¹⁵³ British officials suspected that MacArthur had primed these Congressmen to gain American support for his campaign against communism in Japan and to warn the Japanese that, if their occupation was unduly prolonged, it would be because of the Soviet menace. Although the Foreign Office did not think the Congressmen had exaggerated the danger they did not seem unduly concerned and continued to dismiss Korea's strategic importance in the Cold War.¹⁵⁴

By 1947 as the Chinese communists advanced on Manchuria and the crises in Turkey and Greece deepened, the new American Secretary of State, George Marshall, ordered a complete reassessment of United States policy in Korea.¹⁵⁵ Despite Bevin's efforts to

¹⁵² Although United States intelligence authorities at Tokyo regarded Hodge's pronouncements as 'alarmist in tone', they still argued that there seemed to be every possibility of events coming to pass as foreshadowed. A significant fact which lent colour to possible Soviet intentions was the fact that Red Army troops had already withdrawn a battery along the 38th parallel frontier and replaced with Korean guards. Gascoigne to Foreign Office, telegram no.1283, 1 November 1946, F1733/54/81, FO 371/63831.

¹⁵³ Gascoigne to Foreign Office, telegram no.1012, 3 September 1946, F12837/199/23, FO 371/54251.

¹⁵⁴ De la Mare, minute, 4 September 1946, F12837/199/23, FO 371/54251. MacDermot, minute, 5 September 1946, *ibid.*

¹⁵⁵ Vincent to Marshall, 27 January 1947, *FRUS, Vol.VI: The Far East, 1947* (Washington, 1972), pp.601-603 and memorandum by the special inter-departmental committee on Korea, 25

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enlist United States support within the 'Big Three' framework to combat Soviet expansionism,¹⁵⁶ it was not until 1947 that the Americans finally discarded their traditional desire to hold themselves aloof from foreign entanglements and announced the Truman Doctrine and Marshall Plan. These acts came to fruition, in part, when Britain informed the United States that it could no longer provide aid for Greece and Turkey.¹⁵⁷ These American offers highlighted Britain's and Europe's failure to recover from the war and now saw the United States determined to avoid another 1930s Great Depression while reconstituting a balance of power in Europe by economic means.¹⁵⁸ Although the Policy Planning Staff in the State Department and the Pentagon wanted to concentrate on the recovery of Western Europe, Marshall, recognising the Cold War implications, remained determined to hold the periphery in Northeast Asia, to prevent an 'outflanking' of Japan.¹⁵⁹ A special inter-departmental committee argued that the United States should not retreat from Korea as it would represent a direct breach of commitments to establish a united and independent Korea. A withdrawal, the committee noted, would indicate 'a complete political defeat' and they therefore lobbied Truman for a \$600 million aid package to help Korea, \$250 million of which would be for the fiscal year 1948. This economic aid could then be reinforced by appointing a civilian high commissioner and despatching business groups to Korea to make recommendations on economic and financial rehabilitation. Negotiations with the Soviet Union would still

February 1947, *ibid.*, pp.608-610.

¹⁵⁶ See Peter Taylor, *Britain and the Cold War: 1945 as Geographical Transition* (London, 1990), p.107.

¹⁵⁷ Robert Frazier explains that the British government did not deliberately set out to provoke a shift in American policy, but was merely responding to Britain's own economic imperatives. See Robert Frazier, 'Did Britain Start the Cold War? Bevin and the Truman Doctrine', *Historical Journal*, Vol.27 No.3 (1984), pp.715-727. See also 'United States: Weekly Political Summary No.1: Annual Survey for 1947 - Part I: American Attitude to Foreign Affairs', Inverchapel to Foreign Office, telegram no.38, 19 February 1948, AN 667/6/45, FO 371/68013B.

¹⁵⁸ The bitter winter of 1946-1947 had paralysed the British economy, creating a massive coal shortage and massive unemployment. Henceforth, Britain was forced to cut its military manpower by 20 per cent from 1.5 to 1.2 million. Gaddis, *The Long Peace*, pp.41, 56; *idem*, 'The insecurities of victory', p.267 and Thomas Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilisation, and Sino-American Conflict, 1947-1958* (Princeton, 1996), pp.34-35.

¹⁵⁹ See Leffler, *A Preponderance of Power*, pp.147-149, 167.

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continue and American diplomatic efforts redoubled to unite the two zones.¹⁶⁰ This approach seemed logical at a time when America was contemplating rebuilding Japan industrially, especially as the Korean and Japanese economies could effectively be integrated.¹⁶¹

Dening was encouraged that the State Department now felt ready to press for a consistent and strong policy *vis-à-vis* the Soviet Union in Asia as well as Europe but correctly pointed out that: 'The success of this plan will depend upon competent and farsighted administration at least as much as upon the signing of the cheque'. Dening saw no signs of the emergence of such an administration in the American zone of Korea. Yet, if successful, Dening thought that the plan might be a real setback to Soviet expansion in Asia and loosen the Soviet hold on the people of northern Korea.¹⁶² Whereas in the Middle East, the United States could rely on British assets, American officials were operating on their own in Korea and the perception of the threat was much greater.¹⁶³ British and American planners were still producing negative assessments on the situation in Korea. The Foreign Office, the Chiefs of Staff and the JIC argued that Korea, with its ice-free harbours, was an essential extension of the Soviet Pacific seaboard. The JIC stated that the Soviet Union's immediate objective was consolidation but thought that it would in the long term seek to eliminate, by all available means, any threat to its security in the area.¹⁶⁴ The consequences for Britain's imperial position and the spread of communism in Asia were once again rarely touched upon, suggesting that Korea held little concern for the British. Meanwhile, the American Joint Intelligence

¹⁶⁰ Draft report of the special inter-departmental committee on Korea, 25 February 1947, *ibid*, pp.610-618.

¹⁶¹ Matray, *The Reluctant Crusade*, p.116.

¹⁶² Dening to Dixon, letter, 26 March 1947, F3550/54/23, FO 371/63832.

¹⁶³ Leffler, *A Preponderance of Power*, p.246.

¹⁶⁴ See 'Soviet Policy in Korea', Kermode to Bevin, telegram no.22, 28 March 1947, F5826/5826/81, FO 371/63850 and 'Korea', Japan and Pacific Department memorandum, 22 May 1947, F7634/54/81, FO 371/63835. All these arguments also appear to have been incorporated in the JIC report 'Soviet Interests, Intentions and Capabilities', JIC(47)7/1.Final, 6 August 1947, CAB 158/1 which the Chiefs of Staff approved.

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Staff considered that the Soviet Union could conceivably occupy Korea and push to the Yellow River in north China by 1950.¹⁶⁵ The retention of just under one million air force personnel, a one and half million man army and a not inconsiderable submarine force in Northeast Asia was enough to engender American suspicion of Soviet intentions and intelligence assessments from MacArthur's headquarters in Japan reflected this.¹⁶⁶

These unpalatable assumptions were not without foundation. When the United States-Soviet Joint Commission reconvened in 1947 it soon assumed a state of deadlock which prompted Marshall to complain to Molotov about the continual Soviet refusal to consult with political parties who opposed trusteeship.¹⁶⁷ As the Joint Commission degenerated into a political quagmire, Kermode learned from his American counterpart that Rhee had decided to boycott the Commission and would probably do his utmost to sabotage it. Kermode at once visited Rhee to see if he could help ease the tension. According to Kermode, Rhee thought that the southern Koreans had been deceived by Washington as they had agreed to a condition that parties who wished to be consulted must sign a declaration which refrained from active opposition to the work of the Joint Commission. That meant that all Koreans opposed to trusteeship, in other words all Koreans except communists and their associates, would automatically be denied a hearing. Kermode attempted to convince Rhee that he would be far more likely to win world sympathy by supporting the Joint Commission than flatly refusing to have anything to do with it. Britain's Consul-General impressed upon Rhee that: 'If agreement was reached in their absence the world would say that they had elected to absent

¹⁶⁵ 'Military Requirements within the Pacific Theater', JIS memorandum, JIS 218/2, 19 December 1945, RJCS: 1946-1953, MF 51, KCL.

¹⁶⁶ Hal Friedman, 'The "Bear" in the Pacific? US Intelligence Perceptions of Soviet Strategic Power Projection in the Pacific basin and East Asia, 1945-1947', *Intelligence and National Security*, Vol.12 No.4 (October 1997), pp.75-101.

¹⁶⁷ Marshall to the American Embassy at Moscow, 11 August 1947, *FRUS*, 1947, VI, pp.748-749. Kermode to Foreign Office, telegram no.66, 28 June 1947, F8715/54/81, FO 371/63835. Gascoigne to Foreign Office, telegram no.990, 13 July 1947, F9362/54/81, FO 371/63836.

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themselves and must therefore lose their case by default'. Rhee was unmoved but appeared flattered by Kermode's visit. Kermode had instigated the meeting with Rhee because he worried that if the latter persisted in his endeavours the result would either be a landslide for Moscow or, at Rhee's instigation, bloody civil strife.¹⁶⁸ Although Hodge approved of Kermode's visit, at the Foreign Office, Dermot MacDermot, the head of the Japan and Pacific Department, minuted that: 'it is in our interests to steer very clear of Korean politics at this stage. Dr Rhee is a puppet in a more important quarrel'.¹⁶⁹

As political turmoil increased inside Korea and Hodge struggled to maintain order, concerted American attempts to resolve the deadlock in the Joint Commission took shape during the summer of 1947.¹⁷⁰ With conditions in Greece ^{and} Italy ~~and Palestine~~ reaching disturbing levels, an additional commitment to Korea was not conducive to Army and State Department thinking. Korea was considered a low strategic priority, especially as American war plans called for the withdrawal of troops from Korea in a global conflict.¹⁷¹ MacArthur informed General Gairdner, Attlee's personal representative in Japan, that he thought it was a mistake to deal with Korea on a low level. MacArthur told Marshall that in his opinion the Korean question should be treated as a part of the whole Asian-Pacific question. MacArthur argued that the general propinquity of the Soviets would enable them to dominate Korea whenever they wanted to do so.¹⁷² Therefore, in July 1947, the United States moved to send identical notes to the governments of the United Kingdom, the Soviet Union and China, proposing that the

¹⁶⁸ Kermode to Foreign Office, telegram no.44, 19 May 1947, F6931/54/81, FO 371/63834 and Killick, minute, 23 May 1947, F6931/54/81, FO 371/63834.

¹⁶⁹ MacDermot, minute, 23 May 1947, F6931/54/81, FO 371/63834.

¹⁷⁰ Clashes between leftist and rightist, assassinations and communist infiltration from the north were common in the first half 1947. See MacArthur to Marshall, 2 July 1947, *FRUS, 1947, Vol.VI*, pp.682-684; Jacobs to Marshall, 7 July 1947, 14 August 1947, 8 September 1947, *ibid*, pp.690-691, 752-753, 783 and Bruce Cumings, *The Origins of the Korean War, Vol.I*, chp.6 & 7 and *idem*, *The Origins of the Korean War, Vol.II: The Roaring of the Cataract, 1947-1950* (Princeton, 1990), pp.185-208.

¹⁷¹ Steven Ross, *American War Plans 1945-1950* (London, 1988), pp.3-23 and Leffler, *A Preponderance of Power*, p.251.

¹⁷² Gascoigne to Foreign Office, telegram no.990, 13 July 1947, F9362/54/81, FO 371/63836.

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Korean situation be discussed by the State Department with the Embassies of these powers. If the Soviets refused to accept, the Americans would then submit the problem to the UN.¹⁷³ Molotov naturally contended that the proposed four power talks were not in accordance with the Moscow agreement of December 1945 and argued that the possibilities of reaching agreement in the Joint Commission had not been exhausted.¹⁷⁴ Molotov's answer was not unexpected. The American strategy had undoubtedly been designed to illustrate to the world the unco-operativeness of the Soviet Union and at the same time allowed the State Department, through the vehicle of the UN, to proceed with creating an independent South Korean state.¹⁷⁵

The Soviet Union, however, had yet to play one of its most important cards and this inevitably came in the form of Shitikov's proposal to withdraw all occupational forces. MacDermot thought that Shitikov's decision had to be based on the fact that the communist régime in northern Korea was now sufficiently established while also aiming to undermine the American case on Korea in the UN.¹⁷⁶ Kermode depressingly recorded that: 'under Shitikov's proposal, a strong Korean communist army in the north of Korea would be free to sweep down on the virtually unarmed south and quickly overrun it'. Some rightist leaders now advocated the supply of arms for equipping a southern force to equal the northern communist army, which according to Kermode would lead to bloody civil war.¹⁷⁷ John Killick at the Foreign Office minuted that: 'The cat is now

¹⁷³ Memorandum by the assistant chief of Division of Northeast Asian Affairs, 29 July 1947, *FRUS, 1947, Vol. VI*, pp.734-736 and Clark to Marshall, 28 August 1947, *ibid*, pp.774-775. The British proposed to attend as signatory of the Cairo and Potsdam declarations, while keeping Australia informed. Dening, minute for Sargent, 11 August 1947, F10470/54/81, FO 371/63836 and Australian High Commissioner to Dominions Office, telegram no.683, 2 September 1947, F12044/54/81, FO 371/63837 and Bevin to Douglas, letter, 5 September 1947, *ibid*.

¹⁷⁴ Molotov to Marshall, 5 September 1947, *FRUS, 1947, Vol. VI*, pp.734-736. Roberts to Foreign Office, telegram no.2009, 6 September 1947, F12408/54/81, FO 371/63837.

¹⁷⁵ 'United States Policy in Korea', report by the ad hoc committee on Korea, 4 August 1947, *FRUS, 1947, Vol. VI*, pp.738-741. See also 'United States Policy in Korea', note by Secretaries to JCS, JCS 1483/49, 15 January 1948, RJCS: 1946-1953, MF 51, KCL.

¹⁷⁶ MacDermot, minute, 30 September 1947, F13232/54/81, FO 371/63838.

¹⁷⁷ Kermode to Foreign Office, telegram no.98, 3 October 1947, F13473/54/81, FO 371/63839. British military intelligence supported Kermode's analysis. 'Korea', DMI memorandum, no.0047,

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amongst the pigeons. Southern Korean right-wing leaders, who had previously been in favour of a withdrawal of occupying forces, are now confronted with the realisation of the consequences of such a move, and are imploring the Americans to stay'.¹⁷⁸ British military intelligence added weight to the possible strength of a North Korean Army. A report indicated that the communist Korean Volunteer Army and the Korean Garrison Corps operating within Chinese communist-controlled areas were receiving both material and political support from the Red Army and the Chinese communists.¹⁷⁹ A memorandum by the British Directorate of Military Intelligence also claimed that Korean communist participation in Manchuria was dependent upon the fact that the Chinese communists would agree to join the Korean communists in a future revolution.¹⁸⁰ The Korean Volunteer Army, an experienced army operating in the Chinese civil war, which numbered as high as possibly 100,000 men,¹⁸¹ would surely have reinforced a British belief that once this force had been released its employment in Korea would be decisive.

The Americans nonetheless pressed ahead with their proposals at the UN, attempting to remove themselves from their problems in Korea. On 6 October 1947, Inverchapel reported that the United States delegation at the UN was preparing a resolution for the General Assembly, recommending that a UN committee be appointed and that this committee supervise elections in both zones to facilitate establishment of provisional government.¹⁸² As the Foreign Office was aware, it would be impossible to hold multi-party elections in the northern zone, even under UN supervision, and a sweeping

29 September 1947, WO 208/4834.

¹⁷⁸ Killick, minute, 7 October 1947, F13473/54/81, FO 371/63839.

¹⁷⁹ 'Korea/Manchuria: The Koreans in Manchuria', MI2(b) report, 29 November 1946, WO 208/4752.

¹⁸⁰ 'China: Military: The Korean Volunteer Army in Manchuria', DMI memorandum, 3 July 1947, WO 208/4752.

¹⁸¹ Field to Tarver, letter, 2 December 1947, WO 208/4922. North Korean forces were also considerably more developed. A Defence Department had been set up in February 1946 and Korean youths had also been sent to the Soviet Union for military training. See Farrar-Hockley, *The British Part in the Korean War, Part I*, p.16

¹⁸² Washington to New York, telegram no.258, 6 October 1947, F13571/54/81, FO 371/63839.

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communist victory in the north would be counterbalanced by a right-wing victory in the south, which would inevitably handicap the formation of a central government.¹⁸³ Thomas Brimelow at the Northern Department wondered whether the Americans were giving any thought to what they would do when a final deadlock was reached: 'Do they think they will be both willing and able to hang on indefinitely in control of southern Korea?'¹⁸⁴ On this question, the British attitude remained pessimistic. In reply to Brimelow's enquiry, his colleague, John Killick, explained that the British had no definite information, but he thought the Americans realised that they were fighting a rearguard action. Military and economic support, Killick realised could not be given indefinitely, especially in view of the attitude of Congress to further large appropriations. Killick concluded that if the attempt to reach a settlement in the UN failed, the Americans would be obliged to cut their losses and evacuate Korea.¹⁸⁵ These views were roughly in line with the predominant thinking of the State Department and the Joint Chiefs of Staff. The latter claimed in September 1947 that: 'from the standpoint of military security, the United States has little strategic interest in maintaining present troops and bases in Korea'. The only worry for the Joint Chiefs of Staff and one which a Foreign Office official pointed out, was that for reasons of prestige, the United States might have to stay in Korea because a departure could have repercussions in both China and Japan.¹⁸⁶

¹⁸³ Killick, minute, 8 October 1947, F13571/54/81, FO 371/63839.

¹⁸⁴ Brimelow, minute, 9 October 1947, F13571/54/81, FO 371/63839.

¹⁸⁵ Killick, minute, 16 October 1947, F13571/54/81, FO 371/63839.

¹⁸⁶ 'The Interest of the United States in Military Occupation of South Korea from the Point of View of the Military Security of the United States', draft memorandum for the Secretary of Defence in 'Military Importance of Korea', JSP memorandum, 1483/44, 22 September 1947, RJCS: 1946-1953, MF 51, KCL. This memorandum was approved by the Secretary of Defence on 29 September 1947, JCS 1483/46, RJCS: 1946-1953, MF 51, *ibid.* Butterworth, memorandum for Lovett, 1 October 1947, *FRUS, 1947 Vol VI*, pp.820-827. Rundall, minute, 17 October 1947, F13571/54/81, FO 371/63839. Bedell Smith thought that the most serious result of an American withdrawal from Korea would probably be the effect on China. Though in the long run, argued Bedell Smith, the United States would get over this by stating that it had only so much money to spend in Asia and if aid to Korea were to be continued the cost would have to be deducted from funds to Nanking. Peterson to Foreign Office, telegram no.2347, 29 October 1947, F14555/54/81, FO 371/63840.

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British concern over America's attitude towards Korea was justly illustrated when Sir Maurice Peterson in the British Embassy at Moscow reported that the American Ambassador, Walter Bedell Smith, had told him that the policy towards which the United States government was moving, represented little more than 'a face saving device'. Smith thought Korea was certain to fall under communist domination once American troops had withdrawn. The underlying reason for American policy, explained Smith, was financial and Peterson recorded that: 'with so much else on their hands they cannot afford the \$500 million which has been estimated as the cost of an "Aid to Korea" programme'.¹⁸⁷ British officials were aghast at Peterson's revelations. 'There is no disguising', minuted MacDermot, 'that it is a major American capitulation'.¹⁸⁸ It was the Northern Department at the Foreign Office that finally began to see wider repercussions, stating that: 'this will much encourage the Russians to dig their toes in Europe... e.g. in their forthcoming discussions about Germany'.¹⁸⁹ Still, these minutes did not prompt the British to offer any alternative solutions to the Korean problem and during 1947, the British endorsed the establishment of a United Nations Temporary Commission on Korea (UNTCOK). This body aimed to ensure the integrity of the election process for all of Korea and the establishment of a national assembly and government in the spring of 1948.¹⁹⁰ From the Korean viewpoint, UNTCOK appeared to be yet another device to defraud them of independence. Kermode recognised that: 'the effort to give them the best possible deal that difficult circumstances allow is little understood'. Kermode concluded that Britain was not responsible for 'the tragic muddle' that had developed,

¹⁸⁷ Peterson to Foreign Office, telegram no.2347, 29 October 1947, F14555/54/81, FO 371/63840.

¹⁸⁸ MacDermot, minute, 31 October 1947, F14555/54/81, FO 371/63840.

¹⁸⁹ Hankey, minute, 1 November 1947, F14555/54/81, FO 371/63840.

¹⁹⁰ 'United States Policy in Korea', note by secretaries to JCS, JCS 1483/49, 15 January 1948, RJCS: 1946-1953, MF 51, KCL.

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but realised it had been one of the powers that promised freedom and independence to Korea and now found itself unable to fulfil its promise.¹⁹¹

In conclusion, British policy in Korea during 1945-1947 was influenced by the fact that Korea had never been one of Britain's traditional concerns. This view was reinforced by the fact that officials believed economic considerations and other global commitments prevented the British government from taking an active part in the occupation of Korea. The exclusionist attitude adopted by Soviet Russia and more importantly, the United States, bolstered a British conviction that they should try to stay out of the Korean imbroglio. All this meant that Britain, more often than not, simply regarded Korea as one issue of the peace settlement and despite the division of Korea, it did not see the wider implications in the development of the Cold War. The relative unimportance that Korea held in British strategic priorities was highlighted by the fact that Bevin and the Chiefs of Staff rarely involved themselves in this issue until the tumultuous events of 1950. This disinterest was undoubtedly bolstered by the lack of a clear cut United States policy. Korea had not been seen as 'vital' to American security interests but the major problem for the United States government was the fact that Korea represented an area where the Soviet Union and the Americans directly opposed each other.¹⁹² Any form of climb down on either side of the 38th parallel would have signalled a major political defeat for both ideological camps.

¹⁹¹ 'Promised Independence of Korea: Statement by General Hodge', Kermode to Bevin, despatch no.161, 2 December 1947, F594/511/81, FO 371/69937.

¹⁹² Russell Buhite, "Major Interests": American Policy toward China, Taiwan and Korea, 1945-1950', *Pacific Historical Review*, Vol.47 No.3 (August 1978), pp.439, 442.

III

BRITAIN AND THE OUTBREAK OF THE CHINESE CIVIL WAR

MAP SEVEN: MANCHURIA, 1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.V: The Surrender of Japan* (London, 1969).
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III

THE MARSHALL MISSION AND THE OUTBREAK OF THE CHINESE CIVIL WAR, 1945-1947

I. Introduction

Britain's immediate imperial and Commonwealth interests in postwar Asia focused south of the Tropic of Cancer. A return to China was subordinated to that aim, where British policy, apart from the Japanese crisis in the 1930s, had been historically predominated by commercial interests. After 1945, the Treasury, faced with domestic economic problems and an increasing preponderance of American power in East Asia, was reluctant to invest in China's war-torn economy. Still, Britain aimed to rehabilitate its economic interests on the mainland and Hong Kong, in order to restore trade and imperial prestige. Chiang Kai-shek and the United States did not welcome the return of Britain to China, especially after the British had dismissed China's strategic importance during the war against Japan and had renounced extraterritoriality in 1943. The onset of the Chinese civil war in 1946 and the communist threat in north China saw Chiang relax his obstructionist attitude towards Britain somewhat. But British officials found it hard to identify the scale and nature of the Chinese communists and their affiliation to the Soviet Union. With a shortage of Consuls, London had a fragmentary view of internal China, often having to rely on newspaper reports. Britain, therefore, attempted to maintain a stance of non-intervention in the Chinese civil war and did not hold high hopes for the success of the Marshall Mission to resolve the Nationalist-Chinese Communist Party (CCP) dispute. The Mission's subsequent failure saw Britain reluctant to follow an American lead over

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its policies in China. As in Korea, by 1947, the British were clearly worried about declining American influence in East Asia and annoyed by America's failure to consult with them. This did not mean that the British could remain indifferent to Chinese issues. Chiang's abortive attempt to recapture Manchuria, brought forth possibilities of a communist-dominated China that could threaten British capital interests and its colonies in Southeast Asia. However, during 1946-1947, British planners rarely devised their policies towards China in a Cold War context underestimating Chinese communist capabilities. Meanwhile, United States' policy towards China, caught in a state of flux since the failure of the Marshall Mission, left the Western powers unready to deal with the rapid communist advance in China in late 1948-1949.

II. Britain, Southeast Asia and the Return to China

A. POSTWAR SOUTHEAST ASIA

The sudden capitulation of Japanese forces on 15 August 1945, had left SEAC woefully unprepared for the postwar Asian region.¹ Southeast Asia represented the heart of Britain's colonial empire but Japan's precipitate surrender had prevented the British, with the exception of Burma, from completing a spectacular liberation of their territories over the Japanese. As the United States concentrated on the occupation of Japan, South Korea and China, SEAC's responsibilities were extended to include the Dutch East Indies, Siam, Borneo and French Indo-China south of the 16th parallel.² The British

¹ Major-General H. Pyman, the Chief of the General Staff for Allied Land Forces in Southeast Asia, observed that SEAC was 'quite unready for surrender'. Diary entry for 15 August 1945 in Pyman diary, 11 August 1945 to 31 October 1945, 5/1, Pyman papers, KCL.

² The extended boundaries had been agreed at the Potsdam conference and a major reason for this was so the United States could concentrate on the defeat of Japan. See Michael Yahuda, *The International Politics of the Asia-Pacific, 1945-1995* (London, 1996), p.22 and Robert McMahon, 'Toward a post-colonial order: Truman administration policies toward South and Southeast Asia' in Lacey(ed.), *The Truman Presidency*, p.342. The recovery of Empire in Southeast Asia for the Dutch and the French was essential. Defeated by the Germans in the Second World War, they saw the restoration of their interests in the East Indies and Indo-China as a symbol of prestige. Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, p.52.

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were content to let the United States play a leading role in East Asia and focused their efforts south of the Tropic of Cancer where their imperial and Commonwealth interests lay.³ Yet, as a consequence of SEAC's new commitments, the British became burdened with re-starting rice production from the three principal exporting countries, Burma, Siam, and Indo-China. This task was essential in order to avoid major outbreaks of famine and procure regional stability but SEAC had meagre resources with which to achieve its aim.⁴ In November 1945, Hong Kong, for example, had no more than a surplus of fourteen days rice, possessed minimal facilities to resume trade and was short of civilian staff, hundreds of whom were detained in India owing to a lack of transport'.⁵

Inadequate shipping, food and numbers of personnel combined with the problems of prisoners of war and Japanese repatriation, provided major logistical difficulties for SEAC during 1945-1946. These problems had been exacerbated by the late arrival of British forces across Asia due to General MacArthur's insistence upon accepting Japan's formal surrender first, in Tokyo, on 2 September 1945.⁶ SEAC worried that the longer Britain waited to reoccupy Southeast Asian territory, the accompanying difficulties with the local populations, prisoners of war and internees would inevitably increase.⁷ Nationalist forces in both the Dutch East Indies and Indo-China had already taken full

³ 'British Foreign Policy in the Far East', FECPU memorandum, GEN 77/94, 14 January 1946, CAB 130/5.

⁴ See Chapter I. American involvement in SEAC was terminated by the United States Chiefs of Staff in October 1945 and this also precluded any direct American assistance to Mountbatten. See Peter Dennis, *Troubled Days of Peace*, pp.20-21 and John Keay, *Last Post: The End of Empire in the Far East* (London, 1997), p.215. See also Philip Darby, *British Defence Policy East of Suez, 1947-1968* (London, 1973); F.Donnison, *British Military Administration in the Far East, 1943-46* (London, 1956); Gary Hess, *The United States' Emergence as a Southeast Asian Power, 1940-1950* (New York, 1987) and Tilman Remme, *Britain and Regional Co-operation in Southeast Asia, 1945-1949* (London, 1995).

⁵ Harcourt to Alexander, letter, 7 November 1945, AVAR 5/10/70(c), Alexander papers, CAC.

⁶ Kirby, *The War Against Japan, Vol.V*, pp.229-231.

⁷ SEAC projected that British forces would not arrive in Malaya, Singapore and Hong Kong until the 3, 5 and 10 September 1945, respectively. SACSEA to COS, telegram no. SEACOS 461, 3 September 1945, F6417/630/23, FO 371/46457.

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advantage of the delay and proclaimed independence.⁸ Asian nationalism and food shortages left SEAC determined to extricate itself from non-British commitments. The Foreign and Colonial Office, concerned about a knock-on effect in Malaya, thought it most desirable that Britain should prevent revolutionary outbreaks and get French and Dutch troops into southern Indo-China and the East Indies with the utmost despatch.⁹ In 1945, the peaceful restoration of Britain's position in Southeast Asia was seen as a necessary component to augment Britain's world power status. The Colonial Office hoped that this would win the support of the local inhabitants and secure goods, such as tin and rubber, that were an important source of dollars in the dependant Empire.¹⁰

B. BRITISH PLANNING FOR A RETURN TO CHINA

Britain's preoccupation with the problems of Southeast Asia hindered British efforts to re-establish its pre-war presence in China. In 1937 British investment in China had reached £300 million, the majority invested in import/export business, real estate, manufacturing, transportation, banking, public utilities and insurance.¹¹ During wartime,

⁸ Keay, *Last Post*, p.215 and Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, p.53. Frustrated, SEAC thought that British forces should not wait for MacArthur. See Denning to Foreign Office, telegram no.369, 20 August 1945, F5458/630/23, FO 371/46454 and SACSEA to COS, telegram no. SEACOS 448, 20 August 1945, F5474/630/23, FO 371/46454. The major stumbling block was a fear that the Japanese would not capitulate until they received orders from Tokyo and the Chiefs of Staff reluctantly heeded this advice. See COS to SACSEA, telegram no. COSSEA 329, 21 August 1945, F5474/630/23, FO 371/46454 and COS minutes in COS(45)203, 22 August 1945, F5558/630/23, FO 371/46455.

⁹ See Denning to Foreign Office, telegram no.530, 25 September 1945, F7445/11/61, FO 371/46308; Young, minute, 20 September 1945, F7161/11/61, FO 371/46308 and Bevin, minute, DO(45)8, 10 October 1945, CAB 69/7. See also Ian Nish(ed.), *Indonesian Experience: The Role of Japan and Britain, 1943-1948* (London, 1980) and Robert McMahon, *Colonialism and Cold War: The United States and the Struggle for Indonesian Independence, 1945-49* (Ithaca, 1981). The British appointed a Special Commissioner to Southeast Asia to help solve this dilemma and alleviate the problem of food supply. See Bevin, minute, CM(46)14, 11 February 1946, CAB 128/5.

¹⁰ Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, p.55 and Xiang, *Recasting the Imperial Far East*, pp.38, 40. As early as 1937, Malaya and Singapore had taken central place in balancing the Empire's trade, Britain having a dollar deficit of \$591 million in that year, and Malaya a surplus of \$247 million, based on sales of rubber and tin. See Karl Hack, 'Southeast Asia and British Strategy, 1944-1951' in Aldrich(ed.), *British Intelligence, Strategy and the Cold War*, p.308.

¹¹ 'Memorandum on Present China Situation and on British and American Policies in China', Far

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Eden had been anxious to see British influence and trade restored in China while hoping to avoid a 'selfish rivalry' with the United States.¹² Since the Opium war of 1840, Britain had been the leading Western power in Chinese affairs but by 1945, American political, economic and military penetration throughout China was mounting.¹³ Geoffrey Wallinger, the British Minister in China, warned Eden that the United States had practically established a monopolistic control over the external economy of China. Despite Britain's decision to renounce extraterritoriality in 1943, Wallinger noted that the Chinese also remained suspicious of British imperialism, which reinforced doubts over whether Britain either could, or wished to, help develop China. Notwithstanding these drawbacks, Wallinger and officials at the British Security Co-ordination in New York, argued that Britain could still compete with America in export services, such as business management, shipping, banking and insurance. Favourable taxation abroad, Treasury investment and a joint Anglo-American approach to the Chinese over economic matters, were natural requirements to the success of this strategy.¹⁴

The Far Eastern Department at the Foreign Office welcomed these proposals but external and internal factors intervened to prevent their realisation.¹⁵ On the external level, the Americans were reluctant to co-operate with imperialist Britain in China, especially regarding preparations for a Chinese commercial treaty.¹⁶ Internally, problems

Eastern Department memorandum, 7 July 1945, F4207/186/10, FO 371/46211.

¹² Eden to Seymour, telegram no.426, 6 December 1944, F1903/57/10, FO 371/46180.

¹³ The Americans were politically immersed in an attempt to effect a truce between the CCP and Nationalists. Wedemeyer was the Chief of Staff to the Nationalist Army while the United States also created a Chinese War Production Board as well as a Board of Transport. Xiang, *Recasting the Imperial Far East*, p.23.

¹⁴ Wallinger to Eden, telegram no.93, 14 February 1945, F962/57/10, FO371/46179; Wilkinson to Sansom, letter, 28 December 1944, F222/57/10, FO 371/46178 and Sansom to Far Eastern Department, letter, 29 December 1944, F222/57/10, FO 371/46178.

¹⁵ Scott, minute, 15 February 1945, F962/57/10, FO371/46179 and Broadmead, minute, 30 March 1945, *ibid.*

¹⁶ See Balfour to Foreign Office, telegram no.5556, 11 August 1945, F5053/235/10, FO 371/46221. Still, the British did not despatch their first draft of a commercial treaty to Bevin until 5 October 1945. See FO 371/46220-46223 for information on the formulation of a British

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emerged between the Far Eastern Department and the Treasury. During 1945, although the Financial Aid agreement of May 1944, which provided Nationalist China with a £50 million credit, had been intended for wartime use only, the Far Eastern Department lobbied for its continuation into the postwar world. The Department hoped to check America's monopoly of Chinese markets and exercise greater British influence within China.¹⁷ The Treasury immediately dismissed such an idea and bluntly explained that Britain's poor balance of payments position would preclude any long term loans to China and a major British role in its postwar reconstruction. Britain had only been able to supply China during the war due to lend-lease imports. The Treasury, therefore, considered that: 'it would be very difficult for us to seek orders for China, in competition with the Americans, who would take the line that we would be doing so at the expense of lend-lease.'¹⁸

Officials at the Economic and Reconstruction Department accepted the Treasury's arguments, recognising that credits to China would unnecessarily drain Britain's scarce external resources. The Economic and Reconstruction Department did not advocate a British withdrawal from China and hoped for an economic 'come back' in later years. For the same reasons, the Overseas Reconstruction Committee(ORC) was happy for the United States to take the leading role in China. Basing their assumptions on the state of the Chinese Nationalist economy, British economic specialists were aghast at pouring great sums of money into China for illusory commercial benefits.¹⁹ Finally, military planners pointed out that China was not a vital strategic concern in the maintenance of

commercial treaty for China.

¹⁷ Scott, minute, 27 January 1945, F492/57/10, FO 371/46178 and 'British Policy Towards China', Sterndale Bennett memorandum, 2 March 1945, F1331/409/10, FO 371/46232 and Sterndale Bennett, minute, ASE(C)(45)1, 7 March 1945, F1482/12/10, FO 371/46129.

¹⁸ See Young, minute, ASE(C)(45)1, 7 March 1945, *ibid.* and 'British Commercial Policy in China', Anderson memorandum, APW(45)51, 5 April 1945, F2181/57/10, FO371/4618.

¹⁹ Coulson, minute, 6 March 1945, F1331/409/10, FO 371/46232; Hall-Patch, minute, 10 March 1945 and minutes for ORC(45)2, 24 July 1945, F4712/57/10, FO371/46183.

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Britain's Empire. Although the British wanted a China friendly to the West, the JIC dismissively stated that: 'so long as we can maintain control of the seaways, a direct threat from the direction of China is not serious'. If the Soviets penetrated into north China, the JIC felt that Britain would not be in a position to prevent it.²⁰ The weight of these arguments effectively ended the Far Eastern Department's hopes for a major British role in postwar China and six days after Japan's surrender, the Treasury categorically concluded that Britain would be unable to provide loans for China in the postwar period.²¹ Despite these conclusions, the United States, overestimating Britain's strength in 1945, presumed that the British would re-establish their pre-war status in China.²² Many British businesses within China hoped that they also could pursue their old commercial activities. The eight year-long Sino-Japanese war, however, had swept away foreign business interests, while witnessing increased Chinese government ownership. Chiang Kai-shek, for example, launched an ambitious programme for industrialisation backed by a series of laws that aimed to control foreign economic activities and remove old tax privileges. British commercial hopes for a return to the pre-1937 state of industrial and financial affairs had been seriously diminished.²³

Echoing the sentiments of a British Cabinet paper produced in December 1945, the Chungking representative for Swire and Sons, one of Britain's leading companies in China, described how the Americans could impress the Chinese with talk of firm finance and early large scale delivery. They also seemed to possess an unlimited supply of

²⁰ Cavendish Bentinck, minute, 13 March 1945, F1331/409/10, FO 371/46232.

²¹ Treasury brief for Dalton by Young, 8 September 1945, F6864/13/10, FO 371/46146.

²² This, the Americans thought, would include a Yangtze River Patrol and a China Squadron based on Hong Kong. 'British Intentions in China', Chief of Naval Operations memorandum, JCS 1502/1, 10-(11) September 1945, RJCS: 1946-1953, MF 152, KCL.

²³ Aron Shai, *Britain and China, 1941-47: Imperial Momentum* (London, 1984), pp.95-105 and Xiang, *Recasting the Imperial Far East*, pp.23, 60.

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technicians and planners to put at China's disposal.²⁴ As Britain's traditional role in China appeared to be waning, plans by the Joint Planning Staff to send British ships into Chinese ports with the United States Navy, met with strong disapproval from both America and Nationalist China.²⁵ Chiang Kai-shek flatly told Truman that the British fleet was not welcome in China.²⁶ The United States responded to this request by removing all British ships from under their command in China.²⁷ With the British Pacific fleet detached from the American Seventh fleet, the Chinese Foreign Ministry argued that there was no longer any justification for it remaining in Chinese waters, especially as it could arouse strong national feeling and provoke incidents.²⁸ The attitude of the British towards China in the Asian-Pacific war perhaps contributed to these lukewarm relations. Furthermore, the British renunciation of extra-territoriality and the American presence in China, had buoyed the Nationalists to take a firmer line with the British government in late 1945 and early 1946. The Nationalists refused to return British properties, failed to renew a 3-year RAF contract for a training mission at Chengtu, and reduced to a period of three months air staging posts for the British in Canton and Shanghai, which served the Commonwealth occupation of Japan. The British Embassy at Chungking and the China Department at the Foreign Office, noted that the Chinese Nationalists had become increasingly 'chauvinistic'.²⁹

²⁴ In the spring of 1945, a G5 Section which was created in Wedemeyer's headquarters, assumed wide responsibilities in steering the Chinese domestic economy. See *ibid.*, pp.29-30, 95.

²⁵ 'British Representation at Main Chinese Ports', JP(45)220(Final), 11 September 1945, CAB 79/39 and Cunningham, minute, COS(45)222, 13 September 1945, CAB 79/39.

²⁶ Hurley to Secretary of State, 1 September 1945, *FRUS, 1945, Vol.VII*, p.545.

²⁷ See COS minutes in COS(45)240, 3 October 1945, CAB 79/40.

²⁸ A Sino-British agreement in October 1945 provided for the loan of British ships to apply temporarily on the Yangtze to carry relief supplies but the Chinese also went back on this understanding. 'China: Some Current Trends and Recent Developments', Kitson memorandum, 23 May 1946, F7701/25/10, FO 371/53564.

²⁹ Wallinger to Bevin, telegram no.1248, 11 December 1945, F67/25/10, FO 371/53561; 'China: Some Current Trends and Recent Developments', Kitson memorandum, 23 May 1946, F7701/25/10, FO 371/53564 and Lamb to Kitson, letter, 12 December 1945, F33/33/10, FO

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The British government found it difficult to challenge the Nationalists at a time when it had begun to scale down its commitments in China. As soon as Japan surrendered, all British military organisations in China were removed other than the normal military attachés and their staffs.³⁰ Meanwhile, Washington ignored Britain's requests to transport British Consular officers across China. By November 1945, the British remained dreadfully short-handed in China, lacked people with Chinese experience, and could not reopen many British posts, apart from those at Shanghai, Nanking, Tientsin and Canton.³¹ The American position contrasted sharply with Britain's status. Backed by Wedemeyer's troops, the Americans moved quickly to re-establish American diplomatic outposts throughout China.³² John Vincent at the State Department felt that the United States was: 'moving towards establishment of a relationship with China which has some of the characteristics of a *de facto* protectorate with a semi-colonial Chinese Army under our direction'.³³ United States ships were allowed the free use of Shanghai and other harbours while British ships had been given clearly to understand that they were not wanted there.³⁴

C. HONG KONG

Despite several drawbacks, Britain was not about to withdraw politically and economically from the mainland and Hong Kong, particularly as the British government

371/53573.

³⁰ 'Future of British Troops in China', JP(45)256(Final), 2 October 1945, CAB 79/40 and COS approval in COS minutes, COS(45)241, 4 October 1945, CAB 79/40.

³¹ Seymour to Sterndale Bennett, letter, 1 November 1945, F10179/186/10, FO 371/46215.

³² Xiang, *Recasting the Imperial Far East*, pp.58-59.

³³ The American Joint Chiefs of Staff had proposed a military advisory group approximating 1,000 Army officers, 2,600 enlisted men and 300-700 naval personnel. See Vincent memorandum for Byrnes, 12 November 1945, *FRUS, 1945, Vol. VII*, pp.614-617.

³⁴ China: Some Current Trends and Recent Developments', Kitson memorandum, 23 May 1946, F7701/25/10, FO 371/53564.

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wished to rehabilitate its imperial and world power status.³⁵ Hong Kong, for example, represented a valuable commercial and industrial centre for the British and contributed to its prestige as a symbol of imperial strength in Asia. American claims for bases in the Pacific and the projected Sino-Soviet joint administration of the ports of Dairen and Port Arthur encouraged the British to stand firm on the retention of Hong Kong.³⁶ When Japan surrendered, the British government considered it was of 'paramount political importance' that they should send a force at once to Hong Kong even though it lay within China's operational area.³⁷ To the annoyance of Chiang, Wedemeyer and MacArthur, a Royal Navy Task Force duly arrived on 29 August 1945, in order to pre-empt any possibility of the Americans or Chinese Nationalists taking the colony's surrender.³⁸ Regarded by the Chiefs of Staff as defenceless in any future war, a British military presence was maintained in Hong Kong to maintain law and order and as a deterrent against the activities of local bandits or of a possible Chinese war lord.³⁹ The

³⁵ Hurley to Secretary of State, 14 April 1945, *FRUS, 1945, Vol. VII*, p.331. The Colonial Office even wanted an extension of the 99 year lease. See 'British Colonial Economic Interests in China', note by Colonial Office, FE(E)(45)20, 28 February 1945, F1373/1147/10, FO 371/46251. The Foreign Office did not think these plans were realistic. See Scott, minute, 8 March 1945, *ibid*.

³⁶ Kitson, minute, 5 September 1945, F6859/1147/10, FO 371/46254; Cadogan, minute, 6 September 1945, F6859/1147/10, FO 371/46254. Bevin, minute, DO(45)5, 7 September 1945, CAB 69/7 and 'The Future Status of Hong Kong', State Department: Interim Research and Intelligence Service: Research and Analysis Branch memorandum, 5 October 1945, RJCS: 1946-1953, MF510, KCL.

³⁷ 'Action in the Event of an Early Japanese Surrender', British COS representatives memorandum, CCS.901/1, 11 August 1945, F5495/1147/10, FO 371/46252. See COS minutes in COS(45)198, 14 August 1945, F5552/1147/10, FO 371/46252.

³⁸ See COS minutes in COS(45)198, 14 August 1945, F5714/1147/10, FO 371/46253; 'Summary of Impressions Received at Manila', Penney memorandum, 23 August 1945, 5/13, Penney papers, KCL and Xiang, *Recasting the Imperial Far East*, p.22. Chiang could no more get to Hong Kong to take the Japanese surrender than he could reach north China and Manchuria without aid from the United States. See Truman, *Memoirs, Vol. I*, pp.446-450.

³⁹ 'Organisation for the Support of the Fleet in All Parts of the World', Plans Division memorandum, 28 September 1945, ADM 205/50 and COS minutes in COS(46)24, 13 February 1946, CAB 79/44. The Chiefs of Staff sent the 150th Indian Brigade to complete its concentration by December 1945. The Chiefs of Staff informed the Colonial Office that while they realised the difficulties with which Harcourt was faced, further British reinforcements were impracticable at the present moment. Simpson, minute, COS(45)289, 27 December 1945, CAB 79/42.

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British Consul-General in Canton, Ronald Hall, for example, had warned the Embassy in China that the Nationalist Press was flooded with arguments regarding the Chinese claim to Hong Kong and expected local disturbances.⁴⁰

Indeed, the Chinese Nationalists consistently attempted to make political capital out of the position of Hong Kong. By early 1946, the Nationalist Army had begun to treat Hong Kong as a 'right of way' for the movement of their troops through the south coast of China and the repatriation of Japanese prisoners of war.⁴¹ The Chiefs of Staff consequently aimed to fix a time limit to these operations, considering that there were other ports on the Chinese Pacific coast capable of handling troop movements.⁴² The Foreign and Colonial Office, aware of Chinese sensitivities about Hong Kong, disagreed with ^{the} Chiefs of Staff.⁴³ George Kitson, at the China Department in the Foreign Office, had even contended that Britain ought to return sovereignty but, recognising the colony's economic importance, wanted to retain some kind of special position there by agreement with the Chinese government.⁴⁴ Sterndale Bennett and Geoffrey Wallinger, were not convinced, as British traders had been led to understand in a public statement by Attlee that Britain intended to hold on to Hong Kong.⁴⁵ Internal events within China eased Nationalist pressure on Hong Kong by mid-1946. The Chinese government halted troop movements through Kowloon,⁴⁶ while Harcourt convinced the Nationalists that

⁴⁰ Hall to Seymour, letter, 9 November 1945, F10574/186/10, FO 371/46215.

⁴¹ Cunningham, minute, COS(46)20, 6 February 1946, CAB 79/44.

⁴² Cunningham, minute, COS(46)33, 1 March 1946 and Hollis to Foreign Office, letter, 1 March 1946, CAB 79/45.

⁴³ See COS minutes in COS(46)42, 18 March 1946, CAB 79/46; Alanbrooke, minute and COS minutes in COS(46)42, 18 March 1946, CAB 79/46 and COS minutes in COS(46)53, 3 April 1946, CAB 79/46.

⁴⁴ Seymour to Sargent, letter, 11 June 1946, F10372/113/10, FO 371/53635; Kitson, minute, no date, *ibid.* and 'The Future of Hong Kong', China Department memorandum, 18 July 1946, F10572/113/10, FO 371/53635.

⁴⁵ Wallinger, minute, 5 April 1946, F5107/113/10, FO 371/53633 and Sterndale Bennett, minute for Kitson, 29 January 1946, F3604/113/10, FO 371/53632.

⁴⁶ See COS minutes in COS(46)43, 20 March 1946, CAB 79/46 and Cunningham, minute,

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his object in Hong Kong was to use its facilities to aid China, as well as Britain.⁴⁷ Soong had also visited Hong Kong and appeared most friendly, helping the British with some of the local problems.⁴⁸ By 1947, Hong Kong became a source of considerable dollar credit and the only stable port in China, increasing its commercial and economic importance.⁴⁹ A principal reason for the more accommodating nature of the Nationalists was their fear of, and preoccupation with, Soviet policies in northern China and the latter's relations with the Chinese communists.⁵⁰

III. Britain, the United States and Sino-Soviet Relations

A major question that divided many British officials during 1945 was how to identify the scale and nature of Chinese communism and its possible affiliation to the Soviet Union. Evidence indicates that Stalin's relationship with the CCP leader, Mao Tse-tung, was far from clear. In the mid-1920s, Stalin persuaded Mao to form a 'United Front' with Chiang Kai-shek, a policy, which by the mid-1930s, had witnessed the near extermination of the CCP. Henceforth, Mao began to view his Party's policies as primary and was not prepared to subordinate its interests to the Soviet Union. For example, Mao, fearing disaster, rejected Stalin's requests, after the German invasion of the Soviet Union, to attack the Japanese along the borders of Mongolia in June 1941. Fearful of an attack on the Soviet East Asian front, Stalin wanted all Chinese to unite under Chiang, in order to pin down Japan's Expeditionary Force in China. Consequently, during the war against

COS(46)43, 20 March 1946, CAB 79/46.

⁴⁷ Harcourt to Alexander, letter, 7 November 1945, AVAR 5/10/70(c), Alexander papers, CAC.

⁴⁸ See COS minutes in COS(46), 16 January 1946, CAB 79/44 and McGrigor, minute, COS(46)113, 18 July 1946, CAB 79/50.

⁴⁹ 'Policy for a Permanent Military Garrison in Hong Kong', copy of a minute, 21 May 1947, from Cs-in-C Committee, Southeast Asia to secretary of COS Committee, COS(47)122(0), 9 June 1947, DEFE 5/4.

⁵⁰ Hall to Nanking, despatch no.120, 13 May 1946, F9376/51/10, FO 371/53598.

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MAP EIGHT: CHINA THEATRE, 1945



Source: S.Woodburn Kirby, *The War Against Japan, Vol.V: The Surrender of Japan* (London, 1969).
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Japan, Stalin did not allow CCP guerrillas to retreat across the borders of Soviet Northeast Asia and recruited the indigenous Chinese population into the Soviet Communist Party. There is also little evidence of any direct material support for the Chinese communists from Moscow.⁵¹

The ambiguous nature of Mao's relationship with Stalin, tended to sow doubt among British and American officials about the true nature of the CCP. Attempting to establish a *realpolitik* partnership with the Western allies, Stalin supported Chiang and went out of his way to downplay ideological connections between the Soviets and the CCP.⁵² In conversation with Harriman, Stalin referred to the CCP as 'margarine communists'.⁵³ Molotov similarly told Sir Archibald Clark Kerr, the British Ambassador to Moscow, that Stalin would not support Mao against Chiang. Molotov remained adamant that the CCP were in no sense communists. Clark Kerr agreed and wrote 'they are not'.⁵⁴ Nevertheless, it has been recently documented that Clark Kerr's downplaying of the CCP threat was due more to his desire not to undermine the Nationalist government. Privately, Clark Kerr thought that Mao would eventually become the master of China but like others, he misunderstood the nature of the CCP and underestimated the speed with which they

⁵¹ Mao's battle for the party leadership in the mid-1930s against Wang Ming, who had connections with the Comintern, did not endear Mao to Stalin either. See John Garver, 'The Origins of the Second United Front. The Comintern and the Chinese Communist Party', *China Quarterly*, No.113 (March 1988), pp.29-59; Michael Hunt, *The Genesis of Chinese Communist Foreign Policy* (New York, 1996), pp.136-138, 142-145 and Westad, *Cold War & Revolution*, pp.61-63. Michael Sheng has claimed that relations between the Soviet Union and the CCP were much closer during this period. See Michael Sheng, 'Mao, Stalin and the Formation of the Anti-Japanese United Front: 1935-1937', *China Quarterly*, No.129 (March 1992), pp.149-170 and idem, 'The Triumph of Internationalism: CCP-Moscow Relations before 1949', *Diplomatic History*, Vol.21 No.1 (Winter 1997), pp.95-100;

⁵² Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.56.

⁵³ Westad, *Cold War & Revolution*, pp.13-14; Harriman to Hull, 26 June 1944, *FRUS*, 1944, Vol.VI, p.799; Harriman to Roosevelt, 11 June 1944, *ibid*, p.97 and Harriman and Abel, *Special Envoy*, pp.370-371.

⁵⁴ Clark Kerr to Foreign Office, telegram no.2327, 3 September 1944, F4114/3913/10, FO 371/41685 and Kennan to Secretary of State, 17 April 1945, *FRUS*, 1945, Vol.VII, p.338.

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could achieve power.⁵⁵ The Counsellor of the British Embassy in Chungking, John Keswick, even felt that the CCP would not interfere with the private ownership of property.⁵⁶ Yet, during 1939 and 1940, Mao had stated in *The Chinese Revolution and the Chinese Communist Party* and *On New Democracy*, that the CCP must overthrow the rule of the bureaucratic-capitalist class and eliminate all foreign influence.⁵⁷ This led Geoffrey Hudson, an Oxford-educated China expert at the Foreign Office's Research Department, to claim that the CCP were devoted to the interests of the Soviet Union because it was an essential part of their political faith.⁵⁸ General Adrian Carton de Wiart, Churchill's personal representative in China, on meeting Mao at a dinner engagement in 1945, considered him a 'fanatic, Moscow-trained' and recalled being treated to a discourse of praise on the qualities of communist organisation.⁵⁹

~~Any Soviet connections to the CCP intimated by Carton de Wiart and Hudson, led Stalin to believe that Washington could dispense with Soviet participation in the war against Japan. To solve this dilemma, Stalin supported efforts to build a CCP-Nationalist coalition that would allow him to legitimately utilise Mao's forces when the Red Army attacked the Japanese. Roosevelt endorsed such a coalition but wanted to develop an integrated Chinese Army that could defeat Japan in north China without Soviet interference.~~⁶⁰ ^{who strived to achieve a united and friendly China,} Roosevelt remained unconvinced that the CCP was governed from

⁵⁵ Donald Gillies, *Radical Diplomat: The Life of Archibald Clark Kerr, Lord Inverchapel, 1882-1951* (London, 1999), pp.117-118.

⁵⁶ 'The Situation in China: November 1944', Keswick memorandum, 30 November 1944, F6140/34/10, FO 371/41583. See also Gunther Stein, 'Behind the Blockade in China: Communists set up new democracy', *News Chronicle*, 2 January 1945 for similar views.

⁵⁷ Chen Jian, *China's Road to the Korean War: The Making of the Sino-American Confrontation* (New York, 1994), p.14.

⁵⁸ Hudson, minute, 15 March 1944, F975/159/10, FO 371/41611. Hudson, minute, 13 April 1944, F1546/159/10, FO 371/41612 and Scott, minute, 10 September 1944, F4114/3913/10, FO 371/41685.

⁵⁹ Adrian Carton de Wiart, *Happy Odyssey: The Memoirs of Lieutenant-General Sir Adrian Carton de Wiart* (London, 1950), pp.269-270.

⁶⁰ ~~Harriman explained that Stalin, with a CCP-Nationalist settlement, could use Mao's forces in~~

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Moscow and endorsed the sending of the American Dixie mission in 1944 to visit Mao at Yen-an, in order to investigate the possibilities of aiding the CCP.⁶¹ Patrick Hurley, the new United States Ambassador to Chungking, was also sent to China in late 1944 to help bring the CCP and Nationalists together.⁶² The British were doubtful about the success of such a policy, especially as Hurley was reckless and utterly ignorant of China.⁶³ Attempts to mediate in the Nationalist-CCP crisis were immediately ruled out by the Foreign Office.⁶⁴ Keswick warned the State Department that trying to achieve a Nationalist-CCP truce was extremely 'unrealistic' and presumed that a loosely federated system was more likely to arise in China. Vincent took these views as an indication of British policy on the matter.⁶⁵

Keswick, undoubtedly envisaging spheres of influence in China, was backed by Sir Horace Seymour, who felt that any agreement negotiated under American pressure would be purely temporary because the CCP were geographically well placed in north China to occupy cities if the Japanese suddenly evacuated.⁶⁶ British and American policymakers tended to link this analysis with the Soviet interest in north China, questioning whether Stalin would hand any cities back to the Nationalists in this region, if the Red Army advanced upon Manchuria, Peking and Tientsin.⁶⁷ Fearful of this

his offensive against Japan to protect his right flank. Harriman and Abel, *Special Envoy*, p.371.

⁶¹ The mission was struck by the lack of corruption, factionalism and inflation that was prevalent in Nationalist China. The CCP also appeared to be fighting the Japanese, a policy from which, together with land reform, Mao derived much of his support. Dreyer, *China at War*, p.291 and Westad, *Cold War & Revolution*, pp.13-14.

⁶² Dreyer, *China at War*, p.298.

⁶³ Dean Acheson, *Present at the Creation: My Years in the State Department* (London, 1967), p.133.

⁶⁴ 'British Policy Towards China', Sterndale Bennett memorandum, 2 March 1945, F1331/409/10, FO 371/46232; Prideaux-Brune, minute, 13 June 1945, F3065/36/10, FO371/46170 and Sterndale Bennett, minute, 16 February 1945, F804/186/10, FO371/46209.

⁶⁵ Memorandum of conversation by Vincent, 25 January 1945, *ibid*, pp.35-36 and Winant to Secretary of State, 2 March 1945, *ibid*, p.258.

⁶⁶ Seymour to Sterndale Bennett, letter, 13 December 1944, F261/35/10, FO 371/46164 and Prideaux-Brune, minute, 9 February 1945, F804/186/10, FO 371/46209.

⁶⁷ Hudson, minute, 22 January 1945, F261/35/10, FO 371/46164 and 'Outline of Current

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possibility, when Hurley halted talks on military co-operation with the CCP in late 1944,⁶⁸ the Foreign Office concluded with approval that: 'supplies to the communists, unless with Chiang's prior agreement, might cause the latter to throw in his hand and lead to chaos in China'.⁶⁹ For the British, civil war could destroy all hope of merchants re-establishing their economic interests, while a China without Chiang might witness the loss of imperial influence on the Chinese mainland.⁷⁰ Stalin, wanting to consolidate his gains at Yalta, also realised that civil war could make Chiang unwilling to sign a treaty with him due to fears that the Soviets would support the CCP. Stalin needed to legitimise Yalta, guard against future Japanese aggression and check a preponderance of American power in China.⁷¹

However, deepening tensions between the Grand Alliance over Eastern Europe and Hurley's openly announced support for the Nationalists in April 1945, saw Chiang become far more obstinate in coalition negotiations with Mao. Consequently, the latter attempted to define a closer relationship with the Soviet Union.⁷² Mao now prepared plans for an infiltration of Manchuria, hoping he could create a CCP-Soviet bloc in the north as a bulwark against growing American-Nationalist strength in south and central

Chinese Situation', Chase memorandum, 1 March 1945, *FRUS, 1945, Vol. VII*, pp.59-60. Roosevelt asked Harriman in November 1944: 'If the Russian go in, will they ever go out?' Harriman and Abel, *Special Envoy*, p.370.

⁶⁸ Westad, *Cold War & Revolution*, pp.66-67.

⁶⁹ Scott, minute, 6 January 1945, F102/35/10, FO 371/46164.

⁷⁰ Hudson felt that it was extremely unlikely that a communist China would be any more pro-American than Tito's Yugoslavia pro-British. Xiang, *Recasting the Imperial Far East*, p.49.

⁷¹ Westad, *Cold War & Revolution*, pp.8-10, 61-63.

⁷² See Yang Kuisong, 'The Soviet Factor and the CCP's Policy Toward the United States in the 1940s', *Chinese Historians*, No.1 Vol.5 (Spring 1992), p.22; Michael Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.147 and James Reardon-Anderson, *Yenan and the Great Powers: The Origins of Chinese Communist Foreign Policy, 1944-1946* (New York, 1980), pp.68-101. Transcript of Press and Radio News Conference by Hurley, 2 April 1945, *FRUS, 1945, Vol. VII*, pp.317-322 and *ibid*, pp.74-79. Hurley's statement brought forth a wave of vitriolic CCP attacks on Chiang and the United States. Chase memorandum, 16 July 1945, *FRUS, 1945, Vol. VII*, p.433 and Atcheson to Secretary of State, 9 April 1945, *ibid*, p.327; Russell Buhite, *Patrick J. Hurley and American Foreign Policy* (Ithaca, 1973), pp.220-221; Dreyer, *China at War*, p.298 and Sheng, 'The Triumph of Internationalism', p.99.

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China.⁷³ British and American planners were aware of this possibility and MI6 confirmed that the CCP were showing a very anti-British and anti-American attitude right up to the Soviet entry into the war against Japan.⁷⁴ Mao had even feared that the success of Britain's Burma offensive might put them in a position to launch their own south China operations. The British had no such plans and Mao himself was still reluctant to rule out the possibility of utilising American aid,⁷⁵ especially as the CCP leadership despondently admitted in the summer of 1945, that: 'we do not know what the Soviet Union will do'.⁷⁶

Throughout 1945, there was a marked reluctance on the part of the United States to consult with Britain over its China policy. Hurley had visited London in March 1945 and showed no inclination to talk about Chinese affairs with the British. Similarly, Truman afforded Britain no prior consultation on the Harry Hopkins presidential mission to Moscow in the summer of 1945, which aimed to discuss China and other issues.⁷⁷ This attitude was probably bolstered by Stalin's assertion to Harriman in June 1945, that America must play the largest part in helping China recover, as his country would be focused on internal reconstruction and the British 'occupied elsewhere'. Stalin disclaimed any effort to interfere with Nationalist sovereignty over Manchuria and stated he would deal with Chiang and not Mao.⁷⁸ Nevertheless, during his discussions with the Nationalists for a treaty in the summer of 1945, Stalin moved to acquire his concessions

⁷³ Westad, *Cold War & Revolution*, pp.74-75.

⁷⁴ 'China: A Report from Kukong', MI6 Political Report No.62, 17 August 1945, WO 208/4399. Hudson claimed that both the Nationalists and the CCP were more interested in acquiring strategic advantages within China, than driving out the Japanese. Hudson, minute, 20 July 1945, F4207/186/10, FO371/46211. See Dreyer, *China at War*, pp.292-297 that confirms Hudson's analysis. See also 'Chinese Communist Expectations in Regard to Soviet Participation in Far Eastern War', Service memorandum, 14 March 1945, *FRUS, 1945, Vol. VII*, pp.279-283.

⁷⁵ Mao's principal reasoning was that the United States would become increasingly disenchanted by the Nationalists. Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.156

⁷⁶ Westad, *Cold War & Revolution*, pp.74-75.

⁷⁷ Xiang, *Recasting the Imperial Far East*, pp.15-18, 20, 49-50..

⁷⁸ Harriman and Abel, *Special Envoy*, pp.472-473.

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at Yalta from Soong.⁷⁹ Clark Kerr found Soong 'in a gloomy mood' and 'sore' about the terms of the Yalta accords but, as Harriman recalled later, Soong was delighted when Stalin recognised Nationalist sovereignty over Manchuria. Soong appeared less concerned about whether Nationalist or Soviet troops would guard the railroad or who would be the Port Master at Dairen. Harriman saw Soong almost every day and urged him to be firm.⁸⁰

After the atomic bomb had been dropped on Hiroshima, Stalin worried that if the Japanese capitulated before the Soviets entered the conflict, the British and Americans would 'renege' on the Yalta agreement. The secret *Bulletin of the Central Committee Information Bureau* reported in July 1945 that reactionary circles in Britain wanted a compromise peace with Japan in order to prevent the Soviets from strengthening their influence in East Asia.⁸¹ Although there is no evidence to substantiate such an accusation, Byrnes had certainly been urging Soong to stall his negotiations with Stalin in order to receive the Japanese acceptance of Potsdam before Soviet forces attacked north China. However, a day after the Red Army had launched its attack on the Japanese, Stalin warned Soong that unless he quickly agreed to Moscow's terms, the CCP would get 'into Manchuria'. This veiled threat alarmed Nationalist and American planners because Soviet domination of Manchuria was a key economic zone for China and could give Stalin a potential lever over the future of the entire region.⁸² Chiang therefore signed

⁷⁹ See Goncharov, Xue and Litai, *Uncertain Partners*, pp.4-6. Chiang had been indirectly informed of the Yalta terms by Soviet and American sources just weeks after the summit closed. This accounts for Chiang's calm manner when Hurley officially told him on 15 June 1945. See Westad, *Cold War & Revolution*, p.32 and Harriman and Abel, *Special Envoy*, p.399, 482-483.

⁸⁰ Clark Kerr, minute for Eden, 18 July 1945, F8854/-/61, FO371/54073.

⁸¹ David Holloway, *Stalin and the Bomb: The Soviet Union and Atomic Energy, 1939-1956* (London, 1994), p.125 and Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.41.

⁸² Harriman and Abel, *Special Envoy*, pp.495-497 and Schaller, *The American Occupation of Japan*, p.14. Harriman grew so concerned that he urged Truman to order pre-emptive landings in Northeast Asia. Although military planners considered landings in Manchuria impracticable, they improvised plans for an American occupation of Korea below the 38th parallel. Harriman to Truman, 8 August 1945, *FRUS, 1945, Vol.VII*, pp.533-535; Harriman to Truman, 9 August

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a Sino-Soviet treaty on 15 August 1945, fearing that if he did not acquiesce to Stalin's pressure, there would be outright collaboration between the CCP and the Soviet Union. In return, Stalin promised that he would only support the Nationalists.⁸³

Stalin's deal with Chiang was motivated by his belief that the CCP had little possibility of taking power, while viewing a Soviet presence in Manchuria as a card to play in his dealings over Eastern Europe. Mao, stunned by the absence of any reference to the settlement of China's domestic dispute, immediately prepared for civil war.⁸⁴ Continuing as Attlee's personal representative in China, General Adrian Carton de Wiart shared Mao's view and did not see how outright civil war could be avoided in China.⁸⁵ Unsure of Stalin's assurances about withholding aid to the CCP and his commitment to Yalta, Truman despatched 50,000 Marines to north China, instructed the Japanese to surrender to Nationalist forces only and helped transport Chiang's Army to key areas in China.⁸⁶ Wedemeyer explained that the Marines were deployed for the purpose of repatriating and disarming the Japanese, though fears of a CCP-Soviet closed *bloc* in north China were a major factor in American calculations.⁸⁷ Truman and his military advisers now offered

1945, *ibid.*, pp.537-538; Westad, *Cold War & Revolution*, pp.50-51; See Matray, 'Captive of the Cold War', pp.145-168.

⁸³ The settlement was fairly acceptable to the United States. Truman had also secured an oral commitment from Stalin to honour the 'Open Door' in Dairen. Truman to his wife, letter, 18 July 1945 in Ferrell(ed.), *Dear Bess*, p.519 and Tang Tsou, *America's Failure in China, 1941-50, Vol.I* (London, 1963), pp.282-283. The Chinese had to agree to a plebiscite in Outer Mongolia, the leasing of Dairen and Port Arthur, combined ownership of the main Manchurian railroads. Goncharov, Xue and Litai, *Uncertain Partners*, pp.4-6 and Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.56.

⁸⁴ Westad, *Cold War & Revolution*, p.75.

⁸⁵ De Wiart to Ismay, letter, 23 August 1945, PREM 8/485.

⁸⁶ Wedemeyer to Marshall, 19 August 1945, *FRUS, 1945, Vol.VII*, p.531-534 and JCS to Wedemeyer, 18 September 1945, *ibid.*, p.565. Dreyer, *China at War*, p.313-314; Steven Levine, *Awful of Victory: The Communist Revolution in Manchuria, 1945-1948* (New York, 1987), pp.37-41 and Odd Arne Westad, 'Losses, Chances and Myths: The United States and the Creation of the Sino-Soviet Alliance, 1945-1950', *Diplomatic History*, Vol.21 No.1 (Winter 1997), pp.106-107.

⁸⁷ The Red Army continued its Manchurian offensive for weeks after Japan had declared itself willing to surrender. The War Department now thought that Stalin aimed to occupy areas outside the northeast. See Westad, p.102; Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.41 and Buhite, "Major Interests", p.427. The Soviets held symmetrical views and felt that the Americans could use Chiang's China as a 'springboard' to oppose the Soviet Union. Kuisong,

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Soong, who visited Washington in late August 1945, general military assistance in an effort to build a friendly^{and} united China and preclude a Chiang-Stalin deal at the expense of the United States.⁸⁸

To complement this approach, the United States hoped a new attempt to build a settlement between the CCP and the Nationalists could be reached. Hurley suggested to Chiang the advisability of inviting Mao to Chungking and it appears that Stalin pressured Mao to accept the offer.⁸⁹ It gave the latter a respite to prepare for further revolutionary action and repair his damaged relations with Moscow.⁹⁰ At this stage, the United States, Britain and even the Soviets held out little hope that Mao and his forces could be victorious in a civil war.⁹¹ Seymour was convinced that: 'if a settlement is reached it will rather be because Mao realised indirectly he can have little chance if it comes to fighting than because of any real agreement'.⁹² Despite this assessment, the British did not hold out high hopes for the American policy. Meanwhile, General Carton de Wiart informed Mao at a private dinner party that he had no remit to interfere in CCP-Nationalist negotiations. The General considered Mao to be 'quite a good type of man' but 'a fanatic' and concluded that: 'I am afraid that my meeting with Mao does not give me any more

'The Soviet Factor', p.26. Wedemeyer realised that these American actions would be construed as a anti-CCP measure but wanted 'to preclude loss of advantages we now enjoy in the Far East'. Leffler, *A Preponderance of Power*, p.85.

⁸⁸ *ibid.*, p.85 and Westad, *Cold War & Revolution*, p.101 and 'Military Equipment and Advice for China', Acheson memorandum for Truman, 13 September 1945, *FRUS, 1945, Vol.VII*, pp.559-562.

⁸⁹ Hurley to Byrnes, 16 August 1945, *ibid.*, p.446. See Goncharov, Xue and Litai, *Uncertain Partners*, p.7-8 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.162-163.

⁹⁰ Westad, 'Losses, Chances and Myths', p.107.

⁹¹ Yang, 'The Soviet Factor', p.25.

⁹² Seymour to Indian government, telegram no.379, 10 September 1945, WO 208/3116. Some intelligence sources were now reporting that CCP forces observed were poorly clothed and equipped, and about half were wearing captured Japanese uniforms. Others wore farmers clothing. 'China: Communist Activities', MI2(b) Report, 22 September 1945, WO 208/4399 and 'China - Communist Activities', MI2(c) 2nd District Report No.878, 30 November 1945, *ibid.*

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confidence in a settlement than I had before'.⁹³ Hurley's rigid policy and style also concerned the State Department. Under Hurley's direction, the Embassy had lost many of its experienced China service personnel who did not agree with his inflexible pro-Chiang position, while informal contact with the CCP had been severed.⁹⁴

Officials at SEAC now felt that the prospect of local engagements in China seemed inevitable after the occupation by the CCP of Japanese-evacuated agricultural areas between the main centres before Nationalist forces could take over.⁹⁵ British intelligence claimed that Mao's forces had already received Japanese arms from the Soviets and were in contact with the Red Army north of Kalgan. CCP troops were reported to be moving towards the Peking-Tientsin area with the object of forestalling occupation by the Nationalists.⁹⁶ The American Embassy in China had been receiving similar information but in all cases the information was difficult to verify.⁹⁷ The problem of confirming these suspicions was that although the Red Army had been instructed to protect CCP units as they moved into the northeast, they were not, in any circumstances, allowed to operate openly under the pennant of Mao's forces.⁹⁸ When a small OSS team was sent into Mukden to retrieve prisoners of war in August, the Red Army had been anxious to have

⁹³ Xiang, *Recasting the Imperial Far East*, p. 41.

⁹⁴ Ibid, p.52

⁹⁵ SACSEA to War Office, telegram no.SAC 19478, 24 August 1945, WO 208/3116.

⁹⁶ 'The Situation in China', MI2(b) memorandum, 20 August 1945, WO 208/3116. Other British intelligence claimed that the Soviets had delivered 200,000 rifles to the CCP at Shanhaikuan and that there were now 60,000 Communists in Mukden area armed with Japanese tanks and machine guns. 'China: Communications: Communist Activities', MI2(b) Report, 19-20 September 1945, WO 208/4403; 'China: Communist Order of Battle: Communications', MI2(b), 2nd District Report No.816, 22 September 1945, WO 208/439 and 'China: Communist Troops', MI2(c) District Report No.837, 14 October 1945, ibid.

⁹⁷ The American Military Attaché reported that CCP units were receiving Japanese arms but there was no open fraternisation with Soviet forces. Robertson to Secretary of State, 29 September 1945, *FRUS, 1945, Vol.VII*, pp.572-573. The American chargé in China also had information that suggested Soviet staff officers were working in an advisory capacity in the Chinese communist headquarters at Kalgan. Robertson to Byrnes, 9 October 1945, ibid, pp.579-580.

⁹⁸ See Goncharov, Xue and Litai, *Uncertain Partners*, pp.9-12.

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all Americans leave Soviet-occupied territory, especially as they were reporting large scale looting.⁹⁹ A British Colonel, Jacobs Larkcom, who had just returned from Mukden, confirmed OSS intelligence, observing that the CCP were in complete control of the area with the approval of the Soviets while the latter was removing machinery from Mukden 'wholesale'.¹⁰⁰

British military planners began to assess the fragments of information they were receiving on China in the autumn of 1945. SEAC argued that the Soviets had deliberately infringed the spirit of the Sino-Soviet treaty and aimed to communise Manchuria through the CCP.¹⁰¹ The JIC adopted a more guarded approach, recognising the fact that they had no firm evidence of a Soviet violation of the treaty. The JIC believed that the Soviets were encouraging the establishment of a chain of nominally independent states across northern China but doubted Stalin saw in the CCP the best means of detaching Manchuria from the Nationalist government.¹⁰² The JIC analysis did not see any potential co-ordinated communist threat to Britain's major imperial interests in Shanghai and Hong Kong. Indeed, the evidence indicates that the degree of co-operation between the Soviets and the CCP differed from one city to another. Soviet commanders, for example, refused the Nationalists access to three ports, Hulutao, Talien and Yingkou, in the northeast, which helped Mao control Jehol and Chahar.¹⁰³ However, Mao's forces

⁹⁹ Peter Clemens, 'Operational 'Cardinal': The OSS in Manchuria, August 1945', *Intelligence and National Security*, Vol.13 No.4 (Winter 1998), pp.71-100.

¹⁰⁰ Seymour to Foreign Office, telegram no.1158, 22 September 1945, WO 208/206.

¹⁰¹ SACSEA to Cabinet Offices, telegram no.SAC 25335, 15 October 1945, WO 208/206 and Seymour to Bevin, telegram no.1098, 25 October 1945, F1204/186/10, FO 371/46216. The Soviet Union's war with Germany had also seen them transfer their industry and agriculture from the Ukraine to the Urals and to Siberia. Roberts to Bevin, telegram no.659, 5 September 1946, F12910/12653/23, FO 371/54335.

¹⁰² Cabinet Offices to SACSEA, telegram no.6315, 19 October 1945, WO 208/206 and 'Internal Situation in China', JIC(45)314(Final), 10 November 1945, F10436/186/10, FO 371/46215.

¹⁰³ As it turned out Mao had already asked the Soviet to delay their withdrawal for exactly the same purpose. See Goncharov, Xue and Litai, *Uncertain Partners*, p.11-12; Dreyer, *China at War*, p.324.

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were not allowed to disembark at Dairen and Port Arthur and were placed under Soviet orders when they arrived at Mukden in September 1945. In Mukden and other areas of the northeast, looting and violence made it difficult for the CCP to associate itself with the Red Army.¹⁰⁴ The delivery of arms to the CCP, while substantial in August, appeared to cease from mid-September, as many Soviet commanders hoarded Japanese equipment and denied it to the CCP.¹⁰⁵

Soviet intervention did open up the northeast to CCP activity and kept the Nationalists out of Manchuria, at least temporarily. However, the Sino-Soviet treaty isolated Mao internationally and gave rise to CCP fears of Soviet-American support for Chiang in a civil war. These fears were reinforced when Stalin told Chiang in November that he would assist the Nationalists in taking over cities. Soviet gains at Yalta depended on Nationalist rule enduring and Stalin instructed the CCP to evacuate the major cities of the northeast, pushing Mao's forces into the region's poorer areas.¹⁰⁶ The Soviet leader still maintained low-level contact with the CCP but also, at Chiang's request, avoided withdrawing from Manchuria while American forces remained in the north.¹⁰⁷ Although American logistical support saw the Nationalists penetrate deep into the northeast,¹⁰⁸ the Nationalist return to north China was not popular. The prospect of civil war, rising inflation, corruption and the incorporation of former 'puppet' troops into the National

¹⁰⁴ Westad, *Cold War & Revolution*, pp.83-87. The Soviets also allowed the CCP to build a clandestine munitions complex in the Soviet controlled city of Dairen and to recruit an additional 300,000 servicemen from Dairen and its suburbs. See Goncharov, Xue and Litai, *Uncertain Partners*, pp.9-12.

¹⁰⁵ Dreyer, *China at War*, p.324; Westad, *Cold War & Revolution*, pp.89, 91-92. Clemens, 'Operation "Cardinal"', pp.98-99.

¹⁰⁶ On 13 November the Soviets informed the Nationalists that the Chinese Air Force could use the Changchun airport to bring in troops. However, some CCP cadres were allowed to secretly stay behind in and around major Soviet-occupied cities. Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.164.

¹⁰⁷ Westad, *Cold War & Revolution*, pp.122-123, 138.

¹⁰⁸ The CCP had managed by November to get only 30,000 of its own troops into the area and they were arriving fatigued. Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.161-162.

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Army, led to large scale anti-government rallies in several major cities.¹⁰⁹ As Chiang continued to push his forces into Manchuria, Nationalist-CCP negotiations broke down and Hurley resigned on 27 November 1945, claiming publicly that his subordinates were communist sympathisers.¹¹⁰ The British were not enthralled when Hurley also blamed: 'the imperialist servants of Britain in Asia', but hoped his resignation might lead to better Anglo-American relations in China. London had disagreed with Hurley's all-out support for Chiang but did not foresee that current developments in China would harm British imperial interests.¹¹¹

IV. Britain and the Failure of the Marshall Mission

A. THE MARSHALL MISSION AND THE MOSCOW CONFERENCE

In the fall of 1945, Sterndale Bennett, explained to American Ambassador Winant in London, that although Foreign Office information was 'fragmentary and confused', it did look as if China was drifting inevitably into a large-scale civil war.¹¹² Wedemeyer's outlook was also gloomy. He did not feel that the Chiang had sufficient forces to retain control of north China at least for many months if not years. The area was vast, communications limited and the loyalty of the population doubtful. Wedemeyer predicted that CCP guerrillas could harass Nationalist troop movements to such a degree that an extended costly campaign would result.¹¹³ When Madame Chiang Kai-shek

¹⁰⁹ The CCP had been laying the organisational groundwork for some of these demonstrations, but in most cases the participation went far beyond CCP sympathies. Westad, *Cold War & Revolution*, pp.112, 138-139 and Suzanne Pepper, *Civil War in China: The Political Struggle, 1945-1949* (Berkeley, 1978), pp.9-16.

¹¹⁰ Mao had tried to secure specific concessions, chiefly Nationalist recognition of CCP rule in some, but not all, of their 'liberated areas' and control of 20 out of 120 divisions of the reorganised army. For Hurley these were irritating 'details' to be solved after a political settlement had been reached, and the negotiations failed. Dreyer, *China at War*, p.315 and Acheson, *Present at the Creation*, p.134.

¹¹¹ Xiang, *Recasting the Imperial Far East*, pp.52-54.

¹¹² Winant to Byrnes, 14 November 1945, *FRUS, 1945, Vol.VII*, pp.485-486.

¹¹³ Wedemeyer to Eisenhower, 20 November 1945, *ibid.*, p.653.

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approached General Carton de Wiart to obtain greater support for the Nationalists, Bevin instructed the British Embassy in China to avoid all references of co-operation with the Nationalists, especially as it might be construed as an effort to profit from the uncertainty of American policy in the wake of the Hurley affair.¹¹⁴ In an attempt to stop the outbreak of full-scale civil war, Truman despatched General George Marshall to China to stabilise China and fulfil America's wartime objective of building up the country as a major power in Asia. Marshall's remit was to arrange a truce, ensure Nationalist domination over all Manchuria and to remove Soviet troops from the region.¹¹⁵ That Britain was no longer playing a major role in East Asian affairs was highlighted by the fact that London remained in the dark about Marshall's appointment. Marshall, according to the British Embassy in Chungking, was greeted by the Nationalists with reserve.¹¹⁶ The Nationalists feared that continued American economic aid might now be dependent upon Chiang yielding more in any bargain struck with the CCP.¹¹⁷ Despite such concern, Marshall's mission was compromised from the outset. The Americans still transported and supplied Chiang's troops bound for Manchuria while Byrnes indicated that if CCP intransigence thwarted chances of a political settlement, Marshall was to back Chiang.¹¹⁸ Both Sir Horace Seymour and the Foreign Office presumed that such a biased approach to the negotiations was unlikely to promote a genuine settlement.¹¹⁹

¹¹⁴ Xiang, *Recasting the Imperial Far East*, p.54. The flux in American policy had also been picked up by Wallinger who had received confidential approaches at the highest Chinese levels emphasising the necessity of closer Sino-British co-operation. Wallinger to government of India, telegram no.493, 26 November 1945, WO 208/4399.

¹¹⁵ Nancy Tucker, *Taiwan, Hong Kong, and the United States, 1945-1992* (New York, 1994), p.16; Levine, *Anvil of Victory*, pp.74-75 and Westad, *Cold War & Revolution*, p.145.

¹¹⁶ Wallinger to Bevin, telegram no.1325, 27 December 1945, F518/515/10, FO 371/53678.

¹¹⁷ Xiang, *Recasting the Imperial Far East*, p.54.

¹¹⁸ Memorandum of conversation by Hull, *FRUS, 1945, Vol.VII*, pp.761-763; JCS to Wedemeyer, 19 December 1945, *ibid*, pp.698-699 and Acheson, *Present at the Creation*, pp.139-140, 142-143. Simultaneously, the Truman administration moved ahead with plans to train postwar Chinese Air Forces, provide military advisers and military assistance and relieve

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A major concern for many officials in the Truman administration was a belief that CCP advances in Manchuria and north China would witness the consequent expansion of Soviet power in East Asia.¹²⁰ However, the relationship between the CCP and the Soviets remained ambiguous in the fall of 1945. Chiang admitted he was glad that Soviet troops had stayed in Manchuria, as a Red Army withdrawal could have left the region open to CCP occupation.¹²¹ Information coming into Washington confirmed that the Soviets were collaborating with the Nationalists.¹²² By December 1945, the CCP feared strong Nationalist assaults on their base areas and the probability that Mao would have to accept harsh peace terms. Nevertheless, a communiqué from Moscow in the same month, did intimate that the Soviets would at least seek to check a preponderance of American power in the northeast, even if they did not directly aid the CCP.¹²³ Consequently, at Moscow in December 1945, both Stalin and Molotov pressed Byrnes for the removal of 50,000 Marines from north China.¹²⁴ Stalin worried that if war broke

Chinese shipping problems. See Byrnes to Robertson, 19 November 1945, *ibid*, pp.638, 634-644 and Byrnes to Land, 30 November 1945, *ibid*, pp.689-690; Steven Levine, 'A New Look at American Mediation in the Chinese Civil War: The Marshall Mission and Manchuria', *Diplomatic History*, Vol.3 No.4 (Fall 1979), p.353; Westad, *Cold War & Revolution*, p.133; Truman memorandum, November 1945 in Ferrell(ed.), *Off the Record*, p.74 and Buhite, "Major Interests", p.430.

¹¹⁹ Butler, minute, 6 May 1946, F6165/25/10, FO 371/53563 and Xiang, *Recasting the Imperial Far East*, pp.56-57.

¹²⁰ Leffler, *A Preponderance of Power*, p.87.

¹²¹ Minutes of meeting held at Nanking, 21 December 1945, *FRUS, 1945, Vol.VII*, pp.795-797 and Jespersen, *American Images of China*, p.145.

¹²² The Soviets had informed Chiang that he could send forces to Mukden and Changchun while guaranteeing their safe landing at airfields there. Smyth to Byrnes, 1 December 1945, *ibid*, pp.1046-1047; Vincent memorandum, 1 December 1945, *ibid*, p.1048; Byrnes memorandum, 24 November 1945, *ibid*, pp.666-667; Acheson, *Present at the Creation*, pp.202-203; Levine, *Anvil of Victory*, pp.49-51 and Reardon-Anderson, *Yenan and the Great Powers*, pp.119-131. Stalin also told Harriman that he had poor contacts with the CCP, having recalled his three representatives from Yenan. Harriman and Abel, *Special Envoy*, p.532. Once again it appeared that Stalin was distancing himself from Mao. See Clark Kerr to Foreign Office, telegram no.176, 10 December 1945, WO 208/206 and Harriman and Abel, *Special Envoy*, p.527.

¹²³ Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.165.

¹²⁴ Byrnes claimed that the Marines were helping repatriate 325,000 Japanese soldiers. Stalin wondered why the Nationalist Army could not accomplish this task themselves. Minutes of the First Formal Session of the Moscow Conference of Foreign Ministers, 16 December 1945, *FRUS, 1945, Vol.VII*, pp.835-839; Levine, *Anvil of Victory*, pp.56-58 and Harriman and Abel,

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out, the United States, from its position in north China, might attempt to cut the Trans-Siberian Railway and break up Soviet influence in Northeast Asia.¹²⁵ There were no war plans to support this fear but Stalin's attempts to consolidate spheres of influence in Eastern Europe and Iran, meant that Harriman, Forrestal and Patterson pushed Truman not to withdraw American Marines in order to prevent similar Soviet efforts in East Asia.¹²⁶

Troop withdrawal therefore went unresolved at Moscow but the British, led by Bevin, did pressure the Soviets and Americans to agree to a policy of non-interference in Chinese domestic affairs. Bevin's purpose, enshrined in the Moscow declaration, aimed to thwart the American desire to legitimise its unilateral mediation efforts. The Marshall Mission had undoubtedly diminished Britain's world power status. This fact was reinforced when Molotov and Byrnes appeared ambivalent to Bevin's actions and, like their dealings over Korea, attempted to solve Chinese issues without Britain.¹²⁷ The Marshall Mission and the Moscow declaration pleased Mao, as it appeared to confirm the failure of Hurley's pro-Chiang policy.¹²⁸ However, the Western powers' response to the Moscow declaration was less than clear. After unrelenting pressure from Chiang to make good a naval loan agreed in October 1944, Attlee decided to send several British warships to China in early 1946. The excuse that the naval loan, by bolstering the Chinese fleet, would cement British maritime interests in East Asia was rather lame and only managed to further alienate the CCP.¹²⁹ Not to be usurped by Britain, the United

Special Envoy, p.527

¹²⁵ Leffler, *A Preponderance of Power*, pp.87-88 and Levine, *Anvil of Victory*, p.34

¹²⁶ The Joint Chiefs of Staff noted that if war did break out, the United States, lacking allies in East Asia, could not prevent the Red Army overrunning Manchuria, north China and Korea. Ross, *American War Plans*, p.9; Leffler, *A Preponderance of Power*, p.88 and Westad, *Cold War & Revolution*, pp.115-117.

¹²⁷ See Chapter II, pp.19, 22 and Xiang, *Recasting the Imperial Far East*, p.57.

¹²⁸ Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.166.

¹²⁹ Malcolm Murfett, 'Old Habits Die Hard: The Return of British Warships to Chinese Waters

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States continued to show its prominence in East Asian affairs, leasing Chiang 271 surplus warships and despatching a military advisory group to China.¹³⁰

Despite the ambiguous neutral stance by the Soviet Union, Britain and America, Marshall's efforts to conclude a truce between the warring factions, appeared promising at first and Seymour incorrectly thought that: '[a] settlement must not now long be delayed'.¹³¹ Marshall achieved a cease-fire in Manchuria on 10 January 1946 and the CCP's agreement to participate in the Political Consultative Conference, an all-party assembly preliminary to the formal drafting of a constitution. Mao was delighted with achieving an all-party assembly but in return had to open CCP base areas to political competition and integrate his Army with the Nationalists.¹³² Chiang remained reluctant to endorse Marshall's efforts, convinced that Stalin, under the umbrella of the CCP, would seek to extend his influence over north China. By February 1946, disregarding Harriman's advice to pursue reforms in China and the latter's belief that Stalin would tell Mao to make an agreement work,¹³³ Chiang made the decision to push for immediate Soviet withdrawal, even if this meant a hard fight for control of the northeast.¹³⁴ Events

after the Second World War' in John Hattendorf and Malcolm Murfett(eds.), *The Limitations of Power: Essays presented to Professor Norman Gibbs on his eightieth birthday* (London, 1990), pp.204-205.

¹³⁰ Xiang, *Recasting the Imperial Far East*, p.84. The American military advisory group contained 750 personnel. Wedemeyer to Eisenhower, 21 January 1946, *FRUS, Vol.X: The Far East: China, 1946* (Washington, 1972), pp.811-816.

¹³¹ Seymour to Foreign Office, telegram no.24, 6 January 1946, WO 208/4399. Chou En-lai, the chief CCP representative in Chungking, told Seymour that Marshall's presence gave hope for a settlement. Chou wanted the cessation of hostilities and the acceptance of CCP forces being able to take Japanese surrenders. Seymour to Bevin, telegram no.25, 7 January 1946, F1364/384/10, FO 371/53670.

¹³² In February 1946, he secured Nationalist and CCP assent to the reduction of the Chinese Army to 60 divisions of which 10 would be CCP. Dreyer, *China at War*, p.316 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.167. Marshall, for example, had proposed that out of 108 Chinese Divisions only 18 would be up from Communist forces. See 'Basis for Military Reorganisation and for the Integration of the Communist Forces into the Nationalist Army', Marshall to Byrnes, 14 March 1946, *FRUS, Vol.IX: The Far East: China, 1946* (Washington, 1972), pp.295-300. This was unacceptable to CCP leaders. See Kuisong, 'The Soviet Factor', p.26.

¹³³ Harriman and Abel, *Special Envoy*, pp.539-540.

¹³⁴ Field to War Office, telegram no.MA 3, 3 January 1946, WO 208/3116.

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in northern Iran also indicated to Chiang that Truman was prepared to take a harder line with Stalin.¹³⁵ American and British planners shared Chiang's fears to some extent and suspected that if the CCP controlled Manchuria, it would be linked to a powerful Soviet closed *bloc* in Northeast Asia.¹³⁶ There was little panic, though, in Whitehall about the possible repercussions this could have on Britain's imperial position in China. This was no doubt reinforced by the fact that the United States continued to help Chiang's forces move into Manchuria while granting China just under \$840million in postwar lend-lease funds, a figure that exceeded America's wartime total.¹³⁷

B. THE GREAT POWERS AND MANCHURIA

On 11 February 1946, London and Washington decided to publish the contents of the secret Yalta accords which produced a wave of anti-Soviet protests across China. The publication came at a time when the United States was expressing its opposition to Soviet-Nationalist negotiations on economic co-operation in Manchuria.¹³⁸ Marshal Rodion Malinovsky, Commander-in-Chief of Soviet Forces in Asia, was threatening to

¹³⁵ Chapter II and Westad, *Cold War & Revolution*, pp.151-152. By the middle of January 1946, heavy fighting broke out as the Nationalists began advancing on Kalgan, Shantung and Manchuria. Seymour to Bevin, telegram no.39, 12 January 1946, F1736/325/10, FO 371/53561.

¹³⁶ 'Soviet Intentions and Capabilities in the Far East', Tarver memorandum, 9 April 1946, WO 208/4716; 'The Position in Manchuria', Foulds memorandum, 23 February 1946, F2436/757/10, FO 371/53684; 'The Manchurian Issue', Foreign Office memorandum, 28 March 1946, F4883/757/10, FO 371/53686; Stuart to Byrnes, 31 October 1946, *FRUS, 1946, Vol.X*, pp.453-457; Westad, *Cold War & Revolution*, p.163 and Levine, *Anvil of Victory*, pp.54-56

¹³⁷ Royall to Forrestal and Truman, 14 January 1946, *FRUS, 1946, Vol.X*, pp.724-725 and Patterson to Byrnes, 18 February 1946, *ibid*, pp.728-735.

¹³⁸ Byrnes to Kennan, 9 February 1946, *FRUS, 1946, Vol.X*, pp.1104-1105. See also Yang, 'The Soviet Factor', p.26. In late January 1946, it transpired that Byrnes and Acheson, had not seen the secret Yalta protocols. Byrnes could hardly believe that Roosevelt had departed from the customary practice and agreed handing over the Kuriles for the Soviet Union, without some qualifying phrase to safeguard himself *vis-à-vis* the constitutional rights of the Senate. Halifax to Foreign Office, telegram no.622, 28 January 1946, F1535/406/23, FO 371/54283. Sterndale Bennett found the confusion in the State Department about it 'quite incredible'. Sterndale Bennett, minute, 30 January 1946, F1535/406/23, FO 371/54283. But it appeared the Chiefs of Staff were also to some extent in the dark about Yalta. In February 1946, Alanbrooke claimed that Britain would never have condoned the ceding of the Kuriles to the Soviet Union. Alanbrooke, minute, COS(46)18, 1 February 1946, F1991/406/23, FO 371/54283.

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carry off whole industrial plants from Manchuria. After a long talk with Chiang, Harriman reported to Washington that Malinovsky would leave this equipment provided the Soviets received a 51 per cent interest in heavy industries and a 49 per cent interest in light industries. Chiang told Harriman that under no circumstances would he let the Soviets have 51 per cent but appeared willing to offer Malinovsky 'a substantial interest' in many of the Manchurian industries rather than risk their outright removal to the Soviet Union, which would destroy the economic life of the region.¹³⁹ Marshall, alarmed by Soviet demands and the contingency that an agreement had to be reached before the Red Army withdrew, pressed Truman to take action.¹⁴⁰ The State Department accordingly addressed notes to the Soviet and Chinese governments, stating that the 'Open-Door' principle must be sustained and that the disposal of Japanese assets in Manchuria discussed between all interested allies.¹⁴¹ At the Far Eastern Department of the Foreign Office, Linton Foulds now wondered whether the British should intervene, especially as Britain was a party to Yalta and needed to protect the export of soya beans and rice to Southeast Asia.¹⁴² The Americans had not suggested that Britain should take any supporting action but Foulds wondered if it was wise, by remaining silent, to convey the impression that Britain remained indifferent.¹⁴³

Foulds found support for his concern from the head of the Northern Department at the Foreign Office, Christopher Warner. Warner claimed that the Soviets would move fast and establish a political stranglehold over Manchuria by harnessing it economically

¹³⁹ Harriman and Abel, *Special Envoy*, pp.538-540 and Levine, *Awil of Victory*, pp.68-72.

¹⁴⁰ Marshall to Truman, 9 February 1946, *FRUS, 1946, Vol:IX*, pp.425-429.

¹⁴¹ Halifax to Foreign Office, telegram no.913, 13 February 1946, F2436/757/10, FO 371/53684.

¹⁴² The British had so far just confined themselves to receiving reports from the British Ambassador in China on the situation in Manchuria. See 'The Position in Manchuria', Foulds memorandum, 23 February 1946, F2954/757/10, FO 371/53684.

¹⁴³ Both the Americans and the British had failed to open consular posts in Manchuria because of Soviet obstructionism. Foulds, minute, 16 February 1946, F2436/757/10, FO 371/53684.

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to the Soviet Union. Warner wanted to force the Americans hand by suggesting to the State Department that the British proposed to make searching enquiries of the Soviet authorities and give them publicity. Warner felt that the Americans might then react more strongly to prevent Britain from taking the lead.¹⁴⁴ Unwilling to play a major role in East Asian affairs, the heads of the Far Eastern and North American Departments were not convinced. Paul Mason, supported by Sterndale Bennett, declared that: 'This is a hand which the Americans must in any event play...even though we are right to claim association with it'.¹⁴⁵ The paucity of Anglo-American collaboration in East Asia was highlighted by the fact that Britain was relying primarily on newspaper articles to glean information on the Nationalist-Soviet economic negotiations.¹⁴⁶ Mason concluded that this was America's business and added: 'it will do them good to stand up to the Russians for once and I don't see why we should deprive them of that privilege'.¹⁴⁷ Foulds was also forced to confess to the State Department that Britain was unable, by itself, to influence events in East Asia.¹⁴⁸ Even Chiang told Marshall that: 'the outcome of the Manchurian question now depended on the strength of the American stand towards Russia on this subject and that of Iran; that any weakness would mean virtual emasculation of Manchuria as a part of the Chinese nation'.¹⁴⁹

Chiang's talk with Marshall, tensions in Iran and Churchill's 'Iron Curtain' speech, saw the State Department demand an explanation for the presence of Soviet troops in

¹⁴⁴ Warner, minute, 26 February 1946, F2954/757/10, FO 371/53684.

¹⁴⁵ Mason, minute, 26 February 1946, F2954/757/10, FO 371/53684 and Sterndale Bennett, minute, 26 February 1946, *ibid*.

¹⁴⁶ This indicated Britain's lack of first hand knowledge on the ground in China. The British referred to A.Steele, 'Reds to Leave Mukden', *New York Herald Tribune*, 10 March 1946; *idem*, 'Mukden Street Battles Reported in Wake of Russian Withdrawal; Chinese Factions Race for City', *New York Herald Tribune*, 12 March 1946 and 'Mukden under siege by Communists', *Daily Telegraph*, 20 March 1946.

¹⁴⁷ Mason, minute, 26 February 1946, F2954/757/10, FO 371/53684.

¹⁴⁸ Winant to Secretary of State, 9 April 1946, *FRUS, 1946, Vol.X*, p.1122.

¹⁴⁹ Memorandum of conversation by Marshall, 10 March 1946, *FRUS, 1946, Vol.IX*, pp.529-530.

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Manchuria.¹⁵⁰ The British also made representations to Moscow about the removal of Japanese assets from Manchuria.¹⁵¹ Stalin's failure to gain economic concessions from Chiang, coupled with Chinese patriotic feeling and Anglo-American anger against the continued presence of the Red Army, led the Soviets to announce their withdrawal from Manchuria on 11 March 1946.¹⁵² This announcement immediately saw the CCP attempt to reinforce Jehol and Manchuria.¹⁵³ A newly formed China Department at the Foreign Office, under the direction of George Kitson, was convinced that the Soviets would encourage the infiltration of the CCP into the areas from which the Red Army had vacated to make Chiang's tenure of cities taken over virtually impossible. To ensure Soviet military dominance of Manchuria, the Foreign Office argued that Stalin would provide strong military garrisons in the Port Arthur-Dairen area and along the Siberian and Outer Mongolian borders.¹⁵⁴ The deductions made by the Foreign Office were borne out by events. In April 1946, it appeared that the Soviets ignored Nationalist requests to prevent CCP encroachments into Manchuria.¹⁵⁵ Other evidence has shown that the Soviets provided limited military support, including weapons and military advisers, while telling CCP leaders that their troops must attempt to control all large and

¹⁵⁰ Chapter II, pp.24-25 and Levine, *Amid of Victory*, p.78.

¹⁵¹ Bevin, minute, CM(46)23, 11 March 1946, CAB 128/5. The Soviets had attempted to term Japanese assets in Manchuria as 'war booty' and this the American Secretary of State could not accept. See Kennan to Byrnes, 5 March 1946, *FRUS, 1946, Vol.X*, pp.1112-1113 and Byrnes to Kennan, 5 March 1946, *ibid*, pp.1113-1114. Kitson was aware that the British were helpless in this matter but the Americans he felt, could offer to replace lost machinery. Kitson, minute, 2 April 1946, F4954/757/10, FO 371/53686.

¹⁵² *ibid.*, pp.77-79; Westad, *Cold War & Revolution*, p.162 and *idem*, 'Losses, Chances and Myths', p.108.

¹⁵³ Field to War Office, telegram no.MA 150, 15 March 1946, WO 208/3116.

¹⁵⁴ 'The Manchurian Issue', Foreign Office memorandum, 28 March 1946, F4883/757/10, FO 371/53686.

¹⁵⁵ Seymour to Foreign Office, telegram no.501, 6 April 1946, WO 208/4403.

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middle-size cities, reassuring them that they would not allow Nationalist troops to occupy the entire northeast of China.¹⁵⁶

C. THE FAILURE OF THE MARSHALL MISSION AND THE OUTBREAK OF CIVIL WAR

Chiang now hoped that his alliance with the United States would hold, even if he used force against the CCP.¹⁵⁷ In April 1946, bolstered in this belief by an American offer to help transport two additional armies to Manchuria, Chiang ordered his armies to start attacking CCP-held areas around Siping in an effort to cut through Changchun. Nationalist troops captured Changchun on 23 May, but seriously over-extended their forces, leaving supply lines vulnerable to CCP harassment and interdiction.¹⁵⁸ Marshall was forced to admit that the outlook for a Nationalist-CCP truce was not promising and warned Chiang that if he did not terminate the fighting, his mission would become untenable.¹⁵⁹ Seymour held the same concerns but these problems all appeared to validate Britain's reluctance to back the Marshall Mission.¹⁶⁰ Famine, inefficiency and corruption dogged the Nationalists' liberated areas, leading to economic and administrative chaos in many places.¹⁶¹ The prospect of unrest and disorders in the cities,

¹⁵⁶ The CCP had been initially reluctant to follow this advice as negotiations with the Nationalists for peace in the northeast had just started and that the October 1945 Nationalist-CCP agreement had allowed Chiang's forces to take over Soviet occupation zones after Russian withdrawal. But they quickly changed their minds largely because the Soviets intimated that they could not allow the Nationalists to have complete control in the northeast. Kuisong, 'The Soviet Factor', p.27; Westad, *Cold War & Revolution*, p.158; idem, 'Losses, Chances and Myths', p.108 and Scott, minute, 10 April 1946, F5393/5393/10, FO 371/53735.

¹⁵⁷ Westad, *Cold War & Revolution*, pp.151-152 and Seymour to Bevin, telegram no.39, 12 January 1946, F1736/325/10, FO 371/53561.

¹⁵⁸ See Jespersen, *American Images of China*, p.145 and Dreyer, *China at War*, pp.317, 324.

¹⁵⁹ Marshall to Truman, 6 May 1946, *FRUS, 1946, Vol.IX*, pp.815-818 and Marshall to Soong, 29 May 1946, *ibid*, p.912.

¹⁶⁰ Seymour to Bevin, telegram no.565, 15 May 1946, F9359/25/10, FO 371/53565.

¹⁶¹ See Kitson, minute, 21 May 1946, F7467/757/10, FO 371/53687 and 'China Today I: Invoked Economic Conditions and Obscure Tax Laws', *Financial Times*, 10 July 1946.

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led Kitson to request keeping Britain's warships at Shanghai.¹⁶² By mid-1946, British military planners did not rule out the prospect of a China partitioned into a communist state north of the Yellow River, and a Nationalist area in the remainder of south and central China. Indeed, British intelligence had already pointed towards Soviet infiltration into Sinkiang and separatist tendencies in Inner Mongolia, which were strongly encouraged by the CCP and the Soviet Union. The Anglo-American powers could do little to prevent these incursions apart from issuing verbal remonstrations.¹⁶³ Still, there is no evidence to suggest that the British saw these developments as a threat to their major economic and commercial interests in China nor were they seen as materially altering the balance of power in the emerging Cold War.¹⁶⁴ This perhaps sprung from Britain's historical experience in China. During this time the country had remained weak and divided and there was little belief in Whitehall that this state of affairs would change.

Indeed, in June 1946, amidst this chaos, the China Department at the Foreign Office prepared a complete reappraisal on Britain's position in China that took little account of growing Cold War fears. Even though Britain was not in a position to give economic and financial assistance, the Department deemed that China was a potentially important market in which Britain must preserve its footing and restore all its property.¹⁶⁵ But, value of currency had declined and the cost of Chinese labour was now some 5 or 6 times its pre-war cost in 'real' money, making the price of exports manufactured by

¹⁶² Kitson, minute, 13 June 1946, F7998/757/10, FO 371/53687.

¹⁶³ 'Russian Intentions in Sinkiang and Mongolia', MI2 Report, 16 August 1946, WO 208/285A. See also Stevenson to Bevin, telegram no.1063, 3 September 1946, F13592/25/10, FO 371/53568.

¹⁶⁴ 'Possible Future Direction of Events in China', DMI memorandum, no date, WO 208/3763.

¹⁶⁵ Unfortunately, a large proportion of British-owned warehouses, wharves and ships had not all been recovered because of Chinese military occupation or customs control. The reason for this given by the Chinese authorities were that they housed Japanese cargo or were being used as Japanese repatriation camps. The position was particularly difficult as regards shore and floating premises of British shipping firms. 'British Policy towards China', China Department memorandum, 18 October 1946, F15359/384/10, FO 371/53672.

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Chinese labour prohibitive in terms of foreign currency, consequently stifling China's formerly flourishing export trade. The British also had a shortage of Consuls and of the twenty Consular posts open in China before the war, the Foreign Office could only open eleven. All remained inadequately staffed. These depressing facts led the China Department to conclude that it had to wait for Britain's economic recovery and an end to China's internal political turmoil, to restore its position on the East Asian mainland. The British, therefore, limited themselves to sending a trade mission, appointing shipping and labour attachés to give advice to Chinese authorities and negotiating a commercial treaty. Yet, the China Department hoped to strengthen its Consular representation, provide more adequate transportation facilities for British merchants, while showing greater determination to protect British rights.¹⁶⁶

It was unfortunate that this memorandum was produced at a time when full-scale civil war broke out in China which tended to undermine many of the goals set by the China Department.¹⁶⁷ By June 1946, the Nationalists had taken Szup'ing and pushed north across the Sungari. Only another cease-fire on 6 June, agreed to as a result of great pressure by Marshall and later described by Chiang as his 'most grievous mistake', saved the CCP and permitted the central Manchurian front to stabilise for the remainder of 1946.¹⁶⁸ Marshall's irritation with Chiang mounted during the spring and summer of 1946. He resisted political, institutional and administrative reforms that Marshall deemed critical for the maintenance of order, the dilution of communist influence and the exclusion of Soviet power.¹⁶⁹ Exasperated by Chiang's determination to defeat the CCP

¹⁶⁶ Consular posts such as Mukden, Dairen and Harbin, for example, had to remain closed due to the political conditions, while others, such as Foochow and Ichang, were of doubtful importance to current British interests. 'China Policy', Kitson memorandum, 17 June 1946, F8984/25/10, FO 371/53565.

¹⁶⁷ Wallinger to Bevin, telegram no.773, 8 July 1946, F10956/384/10, FO 371/53671.

¹⁶⁸ Dreyer, *China at War*, pp.324-325; Acheson, *Present at the Creation*, p.204 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.169-170.

¹⁶⁹ Vincent memorandum, 9 September 1946, *FRUS, 1946, Vol.X*, pp.163-165. Chiang was

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militarily, Marshall recommended that the United States withhold military equipment from the Nationalists. Dismissing any Cold War implications, Truman and the British supported Marshall's stand, while the latter, in particular, did not believe Chiang could be an effective ally for the United States in its confrontation with Moscow.¹⁷⁰ Chiang was so confident in final victory that he insisted the Nationalists would not need any foreign assistance for at least two years.¹⁷¹

Although the Americans wanted to contain communism in China, its policy fluctuated due to the inherent corruptness of Chiang's regime.¹⁷² The Soviets, for example, thought that United States policy in China appeared vague, inexplicit and so easy to attack and the British could not disagree.¹⁷³ In conversation with Lord Inverchapel, the new British Ambassador to Washington, John Vincent contended that there were two stark options available to the United States. The Americans could either provide full support for Chiang to crush the CCP or withdraw all their forces from China completely. Both were presently unacceptable which directed the Americans to a policy of 'holding the ring' and persuading Chiang and Mao that the fight was draining both sides.¹⁷⁴ Yet, an air of American impartiality was still difficult to observe and the CCP

convinced that the CCP never intended to co-operate with the Nationalists and that they were acting under Soviet influence. See notes on meeting between Chiang and Marshall, Nanking, 1 December 1946, *ibid*, pp.575-578.

¹⁷⁰ Westad, *Cold War & Revolution*, p.164.

¹⁷¹ Indeed, the Chinese Ministry of Defence continued rearming its second-line troops, something it presumably could not have done had it not had the equipment for its front-line troops. Jespersen, *American Images of China*, p.146. However, the British Military Attaché to China was concerned that if Chiang did not fulfil his objectives, once ammunition ran and all expendable stores ran out for the 39 American and 2 British-equipped divisions, it could amount to a virtual disarmament of the Nationalist Army. 'Report by the Military Attaché on the Chinese Army in 1946', Stevenson to Bevin, letter, 14 March 1947, F4490/4490/10, FO 371/63439.

¹⁷² The State Department's estimate of world-wide Soviet aims and expansion can be found in Carter to Marshall, 14 August 1946, *FRUS*, 1946, Vol.X, pp.27-28.

¹⁷³ 'Soviet Diplomatic Intentions in China', MI2 Report, July 1946, WO 208/4392.

¹⁷⁴ Inverchapel to Foreign Office, telegram no.5482, 4 September 1946, F12949/515/10, FO 371/53678; Marshall to Acheson, 25 September 1946, *FRUS*, 1946, Vol.X, pp.875-876 and Roberts to Bevin, telegram no.659, 5 September 46, F12910/12653/23, FO 371/54335.

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bitterly resented the presence of Marines in north China that were protecting Nationalist supply routes and communications.¹⁷⁵ The Foreign Office maintained that Britain should remain on the sidelines. Still, they were encouraged that American Marines intended to stay in China and hoped their presence would indirectly protect British imperial interests by preventing chaos spreading to principal Chinese ports which could threaten British communities and trade.¹⁷⁶

The Nationalists, riding high on lend-lease procured during the war, supposedly for use against Japan, continued their advance. In October 1946, the Nationalist occupation of Kalgan in north China proved the last straw for Marshall and he recommended to Washington that he be recalled.¹⁷⁷ Bevin subsequently discussed the matter with Byrnes in Paris. The latter dejectedly stated that the American government was in very great difficulties in China. Byrnes thought that Chiang had been exploiting them and consequently Marshall had been authorised to return whenever he felt he ought. After further Nationalist advances into Manchuria, Byrnes told Bevin that the United States government were now considering withdrawing all Marines from China. Bevin was adamant that the British should: 'keep completely clear of the whole business'.¹⁷⁸ Bevin's

¹⁷⁵ He Di, 'The Evolution of the Chinese Communist Party's Policy Toward the United States, 1944-1949' in Harry Harding and Yuan Ming(eds.), *Sino-American Relations 1945-1955: A Joint Reassessment of a Critical Decade* (Wilmington, 1989), pp.163-165.

¹⁷⁶ Kitson, minute, 9 September 1946, F12949/515/10, FO 371/53678. But the British did want to avoid the impression that they were looking to the United States to pull British chestnuts out of the fire. Foreign Office to Washington, telegram no.8501, 29 August 1946, F11597/25/10, FO 371/53566.

¹⁷⁷ Dreyer, *China at War*, p.319 and Acheson, *Present at the Creation*, p.208.

¹⁷⁸ Foreign Office to Nanking, telegram no.910, 16 October 1946, F13859/119/10, FO 371/53652. The Cabinet endorsed Bevin's analysis. See Cabinet minutes, CM(46)86, 14 October 1946, CAB 128/8. Vincent now did not believe that the withdrawal of the American Marines would jeopardise the Nationalist government. In addition to Kalgan, they had taken strategic points in Jehol province and were rapidly consolidating their position in southern Manchuria. Vincent to Acheson, 5 November 1946, *FRUS, 1946, Vol.X*, pp.879-892. Marshall and Admiral Charles Cooke, Commander of the Seventh fleet, agreed with Vincent and wanted to remove the Marines before they became entangled in a full-blown civil war. Acheson, *Present at the Creation*, p.209.

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remark dismissed any serious consideration of the possible long term consequences that such a withdrawal could have on Britain's imperial position in China, let alone its effect on the Cold War. Although the Foreign Office recognised that communist domination could threaten Britain's position in Southeast Asia, there was no contingency planning for such a scenario, reflecting a widespread belief in Whitehall that the communist threat in China was not immediate.¹⁷⁹ Similarly, in the United States, the Joint Chiefs of Staff argued that if Manchuria was lost through stalemate, China would be denied its richest mineral, industrial and agricultural area, circumventing an ability to defend itself. This would result, according to the Joint Chiefs, in a Soviet desire to expand their control through China, Korea, Malaysia and India.¹⁸⁰ However, Marshall quickly dismissed the Joint Chiefs of Staff's concerns as unrealistic,¹⁸¹ and returned to America, convinced that his mission had failed, blaming Chiang for the breakdown in negotiations.¹⁸²

Dean Acheson, John Vincent and Walton Butterworth, the Minister Counsellor at the United States Embassy in China, now ranged behind Marshall in his efforts to suspend all-out support to Chiang. They argued that American military aid was encouraging Chiang to pursue military solutions while pushing the CCP closer to the Soviet Union. If this assistance were suspended, on the other hand, Chiang would have to remove reactionary elements from his governing party and undertake reforms that could win the support of the Chinese masses. Such a policy, it was hoped, would preclude the Soviet Union from intervening in Chinese domestic affairs.¹⁸³ All these plans grossly

¹⁷⁹ 'British Policy towards China', China Department memorandum, 18 October 1946, F15359/384/10, FO 371/53672.

¹⁸⁰ 'United States Policy Towards China', JSP memorandum, JCS 1721/4, 17 October 1946, RJCS: 1946-1953, MF 44, KCL.

¹⁸¹ Xiang, *Recasting the Imperial Far East*, p.120.

¹⁸² Dreyer, *China at War*, pp.319-320.

¹⁸³ Vincent to Acheson, 5 November 1946, *FRUS, 1946, Vol.X*, pp.879-892 and Butterworth memorandum, 6 September 1946, *ibid*, pp.148-150.

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underestimated the ability of the CCP and were based on the assumption that the Western powers had time to deal with the crisis in China. At this stage, most Anglo-American policymakers were reluctant to view the situation as grave.¹⁸⁴ Truman, ignorant of Chinese affairs, relied implicitly on Marshall and in December 1946 confirmed that the United States should not become involved in the Chinese civil war.¹⁸⁵ Despite a reluctance to view Chinese affairs in Cold War terms, the communist problem in Greece and the beginnings of the Cold War in Europe, coupled with the election in 1946 of a Republican majority in Congress looking for a political issue, made it hard for Truman to ignore the communist problem in China.¹⁸⁶

V. British Policy Towards North China

The uncertainty surrounding American policy left the British reluctant to follow an American lead in north China. Everett Drumright at the American Embassy in London, told the British that the State Department had issued instructions to the American Ambassadors at Nanking and Moscow to urge the respective governments to reach agreement for Dairen's restoration to Nationalist control and reopen it to international shipping, as provided for by the Sino-Soviet treaty of 1945. The Ambassadors were also instructed to press for the resumption of traffic on the Chinese-Changchun Railway. The Americans did not consult Britain beforehand and Kitson presumed that this was probably to avoid the appearance of a pre-arranged 'united front' against the Soviets.

¹⁸⁴ Stevenson to Bevin, telegram no.1063, 3 September 1946, F13592/25/10, FO 371/53568. The Foreign Office also could not work out why the CCP failed to come to terms with Chiang and were happy to hold on to precarious footholds in Yen-an and Manchuria. Stevenson to Bevin, telegram no.741, 16 November 1946, F16592/25/10, FO 371/53570 and Kitson, minute, 19 November 1947, *ibid.* The American Ambassador to China also felt that Chiang's regime, despite an economic crisis, would stagger on for some time. See Stevenson to Foreign Office, telegram no.143, 10 February 1947, F1870/37/10, FO 371/63302. The China Department agreed. Kitson, minute, 13 February 1947, *ibid.*

¹⁸⁵ Carter to Handy, 7 November 1946, *ibid.*, pp.148-150.

¹⁸⁶ Butterworth memorandum, 6 September 1946, *FRUS, 1946, Vol.X*, pp.148-150 and Dreyer, *China at War*, pp.319-320.

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Nevertheless, Kitson recommended that Britain should also make representations, especially as there were reports of substantial amounts of rice and beans wasting away in Manchuria for want of shipment facilities out of Dairen.¹⁸⁷ Once again, Bevin did not want to see Britain playing a prominent role in Chinese affairs and did not endorse Kitson's suggestion. Along with Dening, he had been struck by America's reluctance to take a firm grip of East Asian issues. Bevin, clearly worried about America's declining influence in East Asia, feared that if the Americans got 'cold feet', Britain could be left in a position of having to sustain an attitude without their support.¹⁸⁸

Indeed, by February 1947, Chiang's persistence in solving his internal crisis through military means saw Marshall return home, take up his new appointment as Secretary of State and advocate disengagement from China on the grounds that further involvement in its civil war would be a waste of American resources.¹⁸⁹ At the Moscow conference in early 1947, Bevin had a chance to talk to Marshall and the latter told him that it was only a matter of time before the CCP would be in a position to take over all of China north of the Yangtze Valley. Marshall declined to outline what future American policy would be if such an event took place.¹⁹⁰ Vincent reiterated this view to Inverchapel. When the British Ambassador to Washington asked whether Vincent agreed with the thesis that a financial collapse would entail the downfall of Chiang's régime, he replied that: 'you could not knock down a plank that was already lying on the ground, but it might rot'. In Vincent's opinion, it was out of the question for the United States government to help Chiang mobilise Chinese assets in America. There remained, noted Inverchapel, a firm belief that

¹⁸⁷ Kitson, minute, 4 January 1947, F371/86/10, FO 371/63332.

¹⁸⁸ Dening, minute, 4 January 1947, F371/86/10, FO 371/63332. Sargent agreed with Dening's analysis and didn't think it was even necessary to seek confirmation from Washington. Sargent, minute, 6 January 1947, F371/86/10, FO 371/63332.

¹⁸⁹ Memorandum for Use in Presenting to the President the Problem of Military Assistance to the Chinese National Armies, Vincent memorandum, 27 June 1947, *FRUS, Vol. VII: The Far East: China, 1947* (Washington, 1972), p.849-854 and Christensen, *Useful Adversaries*, p.59.

¹⁹⁰ Xiang, *Recasting the Imperial Far East*, p.112.

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the crisis was still not serious, while Vincent claimed that the present crisis scarcely affected the majority of Chinese people.¹⁹¹

The new British Ambassador to China, Sir Ralph Stevenson, could not reconcile himself with Vincent's last remark. Stevenson felt that the scarcity of essential commodities, the disruption of communications, currency inflation and military activity by both sides, did affect the majority of the peasant population. Moreover, the CCP's land reform policy appealed to the cupidity of many millions of peasants. However, instead of going on to address the possible implications of these facts on the emerging Cold War, Stevenson slid back into analysing their effect on how they could uphold Britain's traditional imperial role in China. The British Ambassador stated that it would not be to Britain's advantage to have the Nationalists hold undisputed sway over China. Stevenson argued that the Nationalists were just as hostile to foreign interests as the CCP.¹⁹² These pronouncements would have no doubt fuelled age-old American suspicions that Britain wanted a weak and divided China to safeguard its imperial position. In fact, Ashley Scott at the China Department was extremely unsure about these suggestions. Regarding the hostility of the Nationalists, Scott argued that: 'we can still "speak the same language" as them and the Chinese government they control'. Scott contended that the latter were sensitive to foreign criticism but they allowed a far greater latitude to foreign interests for participation in Chinese reconstruction and trade than did the CCP.¹⁹³ Indeed, Mao had stated during 1947, in a report on domestic and

¹⁹¹ Inverchapel to Foreign Office, telegram no.1160, 22 February 1947, F2459/37/10, FO 371/63302 and 'Memorandum for Use in Presenting to the President the Problem of Military Assistance to the Chinese National Armies', Vincent memorandum, 27 June 1947, *FRUS, 1947, Vol VII*, p.854.

¹⁹² Stevenson to Denning, letter, 7 March 1947, F4120/76/10, FO 371/63321. In fact, rumours had been circulating in the State Department that the British were encouraging a 'Southern Separatists Movement', allegedly led by General Li Chi-shen, a former military leader in southern China and rival to Chiang. The General was residing in Hong Kong but there was no truth to the allegations. See Xiang, *Recasting the Imperial Far East*, p.116.

¹⁹³ Scott, minute, 27 March 1947, F4120/76/10, FO 371/63321.

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international relations, that he saw the Soviet Union as the leader of the anti-imperialist camp, of which China should become a member.¹⁹⁴

By 1947, despite the various views and perceptions raised above, the Foreign Office concluded that there was little Britain could do to change the situation other than to keep a commercial foothold in China until better days. The British government would merely continue to support American efforts to persuade the Chinese government to introduce democratic ways and methods and generally to preserve an attitude of non-interference.¹⁹⁵ There was little debate about a possible communist domination of China. The negative attitude of the Foreign Office towards Chinese affairs, was questioned in April 1947 by Gerald Samson at the *Manchester Guardian*. He argued that there was an urgent need for a more imaginative and objective British approach to the Chinese people. Samson pointed out that China was anxiously seeking advice and technical assistance, and claimed that in both these fields Britain could surely make a generous response. Samson also pointed out that the Consulate in Shanghai was at half its pre-war strength, yet the work had doubled. Samson had heard numerous complaints from British nationals regarding the ineffectiveness of some of its Consular officials. It was felt that they should be replaced by men more attuned to the changed conditions throughout this area.¹⁹⁶ On the heels of Samson's complaints, during a Parliamentary debate on 22 April, Sir Ralph Glyn, a Conservative MP, asked Bevin whether or not the

¹⁹⁴ See Jian, *China's Road to the Korean War*, pp.19-20 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.171-172.

¹⁹⁵ Scott, minute, 27 March 1947, F4120/76/10, FO 371/63321. A British estimate by J.Hutchison, the Commercial Counsellor at Nanking, said that for the first seven months of 1946, 53.63 per cent of China's total imports came from the United States and only 4.85 per cent from Britain. Xiang, *Recasting the Imperial Far East*, pp.128, 130-131.

¹⁹⁶ Gerald Samson, 'British Policy in China: The Need for Better Representation', *Manchester Guardian*, 8 April 1947. The Foreign Office was well aware that they were 'thin on the ground' in China. The chief difficulty had been the shortage of trained China officers and this was compounded by the fact that there had been a recent cut of 10 per cent in manpower. Even so, Nanking and Shanghai, claimed the Foreign Office, were sufficiently staffed. Kennedy, minute, 19 May 1947, F4903/28/10, FO 371/63285.

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government intended to assist China, when conditions improved, in carrying out civil economic reconstruction and reform in China to promote commercial relations. Christopher Mayhew, parliamentary under-secretary, replied positively but stated that any projects had to be considered in relation to Britain's financial and economic situation. In other words, for the foreseeable future, Britain would not play a major role in reconstructing internal China.¹⁹⁷

In the summer of 1947, after the announcement of the Truman Doctrine and Marshall Plan, the United States Navy Department became increasingly concerned about a premature withdrawal from China and warned that the Soviets might attempt to facilitate a permanent occupation or domination of selected positions in Korea, Manchuria and other provinces of China, such as Tientsin, Shanghai and Tsingtao.¹⁹⁸ Gradually, during the spring of 1947, Marshall resumed limited military assistance to Chiang.¹⁹⁹ Both British and American policymakers did not think that Chiang's recent military successes in Shantung were sufficient to outweigh his difficulties in Manchuria and Shensi.²⁰⁰ The civil war was becoming more unpopular not only with the people but also with the troops, leading to a decline in the morale of the Army. Recent political demonstrations led the American Ambassador to China, John Stuart, to send a personal message to Chiang urging him to make a public declaration that he was aware of the people's longing for peace while appealing to the CCP to join him in stopping the fighting and reopen negotiations. Stuart's British colleague, Stevenson, worried that the

¹⁹⁷ Xiang, *Recasting the Imperial Far East*, pp.134-135.

¹⁹⁸ Forrestal to Marshall, 20 June 1947, *FRUS, 1947, Vol. VII*, pp.968-970.

¹⁹⁹ Marshall decided that 7,000 tons of American ammunition should be left at depots near Tientsin and Tsingtao, while also enclosing the transfer of 137 naval craft and ordering the rapid completion of the portion of the assistance programme for the Chinese Air Force. See Minutes of Conference Concerning China, 20 February 1947, *ibid*, pp.946-950; Acheson to Patterson, 28 March 1947, *ibid*, p.811; Stuart to Marshall, 3 April 1947, *ibid*, pp.815-816; Ringwalt to Vincent, 5 May 1947, *ibid*, pp.831-833 and Forrestal to Marshall, 26 May 1947, pp.966-968.

²⁰⁰ Acheson to Marshall, 2 April 1947, *ibid*, pp.814-815 and Dreyer, *China at War*, pp.330-331.

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CCP could detect such an approach as a sign of weakness and could step up their terms accordingly.²⁰¹

In fact, the Foreign Office did not like the Marshall-Vincent policy, which was regarded as a policy of drift and indecision. Kitson argued in July 1947 that: 'large scale American military aid and economic assistance is now the only hope of pulling Nationalist China together and enabling her to resist effectively the tide of communist infiltration'.²⁰² But there was little prospect of such an outcome and the British could offer no alternative ideas. As the Joint Chiefs of Staff recognised, the problem was that the corrupt Chiang was the only opposition to Soviet expansionist aims in Asia. However, even if Nationalist China collapsed, both the Joint Chiefs of Staff and the British JIC(Far East), presumed that the collapse of Nationalist China would only witness the Soviet domination of north China down to the Yellow River-Yangtse watershed.²⁰³ A complete communist domination of China was still seen as a distant possibility. For the moment, Britain's imperial position in China seemed secure. Furthermore, as the tide began to turn against Chiang, the State Department advised Marshall to lift the arms embargo and aid the Nationalists so long as it was recognised that the aim was to prevent a collapse in China. The State Department still considered that a Nationalist success in unifying China depended upon economic and political reforms.²⁰⁴ Marshall agreed but

²⁰¹ Stevenson to Foreign Office, telegram no.541, 28 May 1947, F7181/76/10, FO 371/63323 and Field to Howman, letter, DO no.46, 20 December 1946, WO 208/4922 and Dreyer, *China at War*, p.325.

²⁰² Xiang, *Recasting the Imperial Far East*, p.121 and Kitson, minute, 29 May 1947, F7181/76/10, FO 371/63323. Ashley Scott minuted that British opinion on the government of China, like the present government of Greece, may not be all that it should be but it is at least preferable to a Communist government. Scott, minute, 11 November 1947. F14773/76/10, FO 371/63328.

²⁰³ 'United States Policy Towards China', JSSC memorandum for the JCS, JCS 1721/4, 21 May 1947, RJCS: 1946-1953, MF 44, KCL. This memorandum was approved by the Joint Chiefs of Staff on the 9 June 1947. See 'United States Policy Toward China, JCS memorandum for SWNCC, 9 June 1947, *FRUS*, 1947, Vol.VII, pp.838-848 and 'Reports by the Joint Intelligence Committee(Far East), JIC(47)50(0)Final., 15 September 1947, CAB 158/1. See also Ross, *American War Plans*, pp.44-46.

²⁰⁴ Acheson to Marshall, 2 April 1947, *FRUS*, 1947, Vol.VII, pp.814-815.

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argued that China was not as important as Western Europe and the Eastern Mediterranean in the Cold War. Too much assistance, he explained, could push the CCP towards Moscow and prompt the latter to actively intervene in China.²⁰⁵ In addition, the Policy Planning Staff at the State Department, under George Kennan, was reluctant to believe that the CCP had the capabilities to assume effective control all over China.²⁰⁶ Nevertheless, as in Korea, Marshall did not want to completely abandon the Northeast Asian periphery and, after consulting with Truman, sent Wedemeyer back to China to assess Nationalist requirements and prospects. The appointment sought to satisfy influential Congressional opinion that questioned why the United States was sending aid to Western Europe, Greece and Turkey to fight communism but not China.²⁰⁷

The Foreign Office thought the American removal of the embargo was too little too late to bolster the Chiang's régime and avert the disintegration which could threaten China.²⁰⁸ The British now considered whether they would follow the American stance and lift their arms embargo. Scott argued that Britain should lift the embargo, although it was likely to become the subject of criticism in Parliament because of Britain's adherence to a policy of non-interference in China.²⁰⁹ Scott's reservation worried Kitson and the latter did not want to get 'dragged on the coat-tails' of an indecisive American policy which could lead to another Spanish civil war, with America and the Soviet Union as the background protagonists in a duel for control of China. Britain's embargo was not

²⁰⁵ Marshall to Forrestal, 23 July 1947, *ibid*, pp.970-971 and Marshall to Lovett, 2 July 1947, *ibid*, pp.635-636.

²⁰⁶ See Christensen, *Useful Adversaries*, p.61

²⁰⁷ See William Stueck, *The Wedemeyer Mission: American Politics and Foreign Policy During the Cold War* (Athens, GA, 1984). According to one participant in America's China policy, Marshall used Wedemeyer to send secret instructions to the American Consulate in Mukden to begin building co-operative bridges with the CCP. See Christensen, *Useful Adversaries*, pp.61-62, 65.

²⁰⁸ Foreign Office to Washington, telegram no.5324, 1 June 1947, F7185/13/10, FO 371/63272.

²⁰⁹ Scott, minute, 29 May 1947, F7185/13/10, FO 371/63272.

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holding up a great flood of arms shipments to China. There were, however, certain items, such as aircraft and aviation equipment, radar equipment, and machine tools that could be used for armament manufacture, which Britain was in a favourable position to supply, and the sale of which was likely to have long term benefits for Britain's export trade to China. Therefore, applications for such equipment, Kitson suggested, should be re-examined.²¹⁰

During the summer of 1947, the Chinese Director of Military Intelligence told the British Assistant Military Attaché at Nanking, Lieutenant-Colonel Fawcett, that the arms embargo had forced the Nationalists to change American-equipped divisions to Japanese and Chinese specifications. Furthermore, the Korean Communist Army was also operating with the CCP. The Chinese Director of Military Intelligence was convinced that the CCP intended to capture the whole of Manchuria and form a communist state therein.²¹¹ Suspicions of co-ordinated communist activity in East Asia, led American military, intelligence and political planners to predict the possible creation of communist-dominated Manchuria, coupled to Korea and the Soviet Union's Northeast Asian provinces, that would form a powerful military and economic East Asian *bloc*.²¹² Such fears must have been reinforced after a reliable British source had just returned from Yen'an after a year's stay and reported that Mao was absolutely confident of winning the war in no more than two years. The CCP would continue the current

²¹⁰ Kitson, minute, 30 May 1947, F7185/13/10, FO 371/63272.

²¹¹ Fawcett to Howman, letter DO no.80, 9 June 1947, WO 208/4922. A British military intelligence source suggested that over 100,000 Korean troops were fighting with 500,000 CCP troops in China. All were in possession of captured war material from the Japanese made over to the CCP by the Soviets. 'Manchuria: Russian Assistance to Chinese Communists', MI2(b) CX Report, 10 June 1947, WO 208/4753 and Hamilton, minute, 28 July 1947, WO 208/4753.

²¹² 'Present Situation in China', Sprouse memorandum, 19 September 1947, *FRUS, 1947, Vol. VII*, pp.741-759; 'Sino-Soviet Relations', Melby memorandum, no date, *ibid*, pp.678-682 and John Gaddis, 'The Strategic Perspective: The Rise and Fall of the "Defensive Perimeter" Concept, 1947-1951' in Dorothy Borg and Waldo Heinrichs(eds.), *Uncertain Years: Chinese-American Relations, 1947-1950* (New York, 1980), pp.70-73.

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‘whirlwind strategy’, cutting swathes through Nationalist-held territory. Furthermore, the source stated that the Yenian communist area was in constant radio communication with Moscow. But doubts still remained about Mao’s relationship with Stalin. The British source had no evidence of any other forms of liaison, nor did he see the supply of arms and equipment by the Soviets, though many troops were equipped with Bren and Sten guns.²¹³

As the gravity of the situation seemed to be deteriorating, the British showed no signs of panic and the Admiralty merely agreed to send one cruiser and two destroyers from the British Pacific fleet to Shanghai should His Majesty’s Consul there call upon them ²¹⁴

It was not until late 1947 that the British began to contemplate the wider implications of a CCP victory in Manchuria. When reviewing the present situation in Manchuria, Leo Lamb at the British Embassy in China argued that full account had to be made of the enormous amount of indoctrination to which the population of the north-eastern provinces had by this time been exposed. Lamb stated that: ‘it may well be that the majority of the common people now regard themselves as a communist first and a Manchurian afterwards’. More importantly, Lamb sounded a note of warning. He regarded the suggestion that the CCP would handle foreign capitalists gently, could well only apply to the brief initial period during which they could be made use of. Lamb claimed that British business, missions, and residents would then be: ‘bled white, exploited, reviled, and/or squeezed out under a communist regime.’²¹⁵ Lamb’s analysis of repression was supported by a former reliable British employee of the Peking Syndicate.

He recounted that the CCP had systematically shot 800 men who tried to escape into

²¹³ ‘China: Political/Military: Communist N.W.Border Area: General Situation’, CX Report, 29 September 1947, WO 208/4742. To support this claim see Sheng, ‘The Triumph of Internationalism’, pp.98-104.

²¹⁴ ‘Operational Responsibility for China’ JP(47)72(Final), 9 June 1947, DEFE 4/4 and Dreyer, *China at War*, p.331.

²¹⁵ Lamb to Scott, letter, 10 September 1947, F13215/76/10, FO 371/63327.

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Nationalist territory, in order to enforce the point that the people were expected to stay on their land and welcome the CCP.²¹⁶ Another British source reported that everywhere one went inside communist territory, the walls were plastered with anti-American and anti-foreign posters.²¹⁷

Despite CCP tactics, the alternative for the ordinary ~~Chinese~~ was not enticing either. During July and August 1947, when Wedemeyer carried out his mission he was appalled by Nationalist incompetence, corruption and unpopularity. Additional aid, he argued had to be contingent on further reform.²¹⁸ Wedemeyer did not find any evidence of Soviet involvement in north China but still hoped to remove communist power from Manchuria. The State Department did not support Wedemeyer and they believed that Manchuria had to be abandoned. The latter now attempted to focus on saving central and south China which they deemed more important to United States interests.²¹⁹ The Foreign Office correctly observed that because a Soviet-American clash might be difficult to avoid, coupled with the fact that Chiang's armies were 'a doubtful horse to back', America would: 'shrink from trying to underwrite China's recovery of Manchuria and will seek instead to try and stop Soviet infiltration at the Great Wall'.²²⁰ It was a strategy that the British accepted, especially as its major imperial interests were in the central and southern half of China. An alteration in the Cold War balance of power was

²¹⁶ 'North Honan - Troop Morale and General Conditions', Field memorandum for DMI, 25 July 1947, WO 208/4747.

²¹⁷ 'Report on Conditions in the Communist-Occupied Areas of Hopei', Whitmore to Stevenson, letter, 26 March 1947 in Stevenson to Bevin, telegram no.281, 5 May 1947, F6899/76/10, FO 371/63323. Similar remarks were made from another British Consular post. See 'China: Report on Conditions and Events in the Tientsin Consular District During August 1947', Franklin to Stevenson, telegram no.302, 9 September 1947, F13510/2753/10, FO 371/63432.

²¹⁸ Stueck, *The Wedemeyer Mission*, pp.77, 86-92.

²¹⁹ See 'Report on the Financial and Fiscal Situation in China', memorandum for Wedemeyer, 22 August 1947, *FRUS, 1947, Vol.VII*, p.739 and 'Present Situation in China', Sprouse memorandum for Wedemeyer, 23 August 1947, *ibid*, pp.741-759.

²²⁰ Kitson, minute, 28 July 1947, F9956/76/10, FO 371/10, FO 371/63325.

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not envisaged. In fact, the only drawback that Kitson worried about, underlining the ever present Anglo-American rivalry in the region, was that this policy could witness Sino-American collusion to exclude British trade from China, undermining its commercial activitiesⁱⁿ Hong Kong.²²¹

Indeed, there was little Anglo-American collaboration in China. Denning complained in November 1947: 'Where does the US stand in relation to China? We do not know, and I do not know whether the Americans know themselves. Their present tendency to let Far Eastern affairs drift is likely to have the most deplorable consequences'.²²² In the Truman administration's defence, the British had no concrete plans to confront a possible communist threat in East Asia either which, compared to the Middle East and Europe, was not seen as immediate. The dilemma for the United States in late 1947 was neatly summed up by Marshall when he declared that everyone in the Truman administration was now in agreement that they wished to prevent Soviet domination of China but there was no unanimity on the way in which assistance could be rendered.²²³

Signs that the British were beginning to realise that the Chinese civil war could have long term implications for their imperial position in China appeared at the end of the year, when the question of the sale of British arms to China re-emerged. The Chinese government, through their agent in Canada, had asked the British to supply 1000 Hispano-Suiza guns as armament for Mosquito aircraft which were being sold to them by the Canadian government. Sargent now thought that the time had come to reconsider the policy of complete embargo in the light of the situation in China and the present attitude of the American and Canadian governments to supply war material. Sargent recommended that this particular request of the Chinese government, for the supply of

²²¹ Xiang, *Recasting the Imperial Far East*, p.132.

²²² Denning, minute, 17 November 1947, F14773/76/10, FO 371/63328.

²²³ Minutes of the meeting of the Committee of Two, 3 November 1947, *ibid*, pp.908-912.

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Hispano-Suiza guns, be met. Sargent concluded that the lifting of the embargo was in British interests as the only visible alternative to Chiang was a communist and ultimately Soviet-dominated China.²²⁴ Although the Anglo-American powers began to shift their policy to one of more overt support for Chiang by the end of the year, the future for Nationalist was bleak.²²⁵ Mukden, while not actually captured, had been virtually isolated by the cutting of the Tientsin-Mukden railway. CCP forces had furthermore succeeded in breaking across the Peiping-Hankow railway and the overall picture showed the Nationalists in control of less territory than at the same time in 1946.²²⁶ The British Military Attaché to China, Brigadier Field, remarked that while he was in Peking, Chiang was issuing the customary sheaf of orders on every conceivable subject similar to Hitler in the latter days of the war. Field noted that his orders bore little relation to the facts of life as did Hitler's.²²⁷ Field now thought it possible that Chiang could lose the civil war.²²⁸

In conclusion, economic problems at home, the renunciation of extraterritoriality, wartime strategy, increased American power and the Chinese civil war served to damage Britain's postwar return to China. But the British successfully rehabilitated Hong Kong and still attempted to uphold its commercial and economic interests in China. Meanwhile, Stalin's ambiguous relationship with Mao led British officials, more often than not, to dismiss the possibility of a CCP-dominated China. Along with the severe disillusionment and distrust of Chiang, British and American planners were reluctant to

²²⁴ Sargent, minute for Attlee, 1 January 1948, F16504/13/10, FO 371/63273 and Foreign Office to Washington, telegram no.265, F16504/13/10, FO 371/63273.

²²⁵ Field to Howman, letter, 5 August 1947, WO 208/4922.

²²⁶ Stevenson to Foreign Office, telegram no.18, 9 January 1948, F1764/35/10, FO 371/69552.

²²⁷ Field to Tarver, letter, 2 December 1947, WO 208/4922.

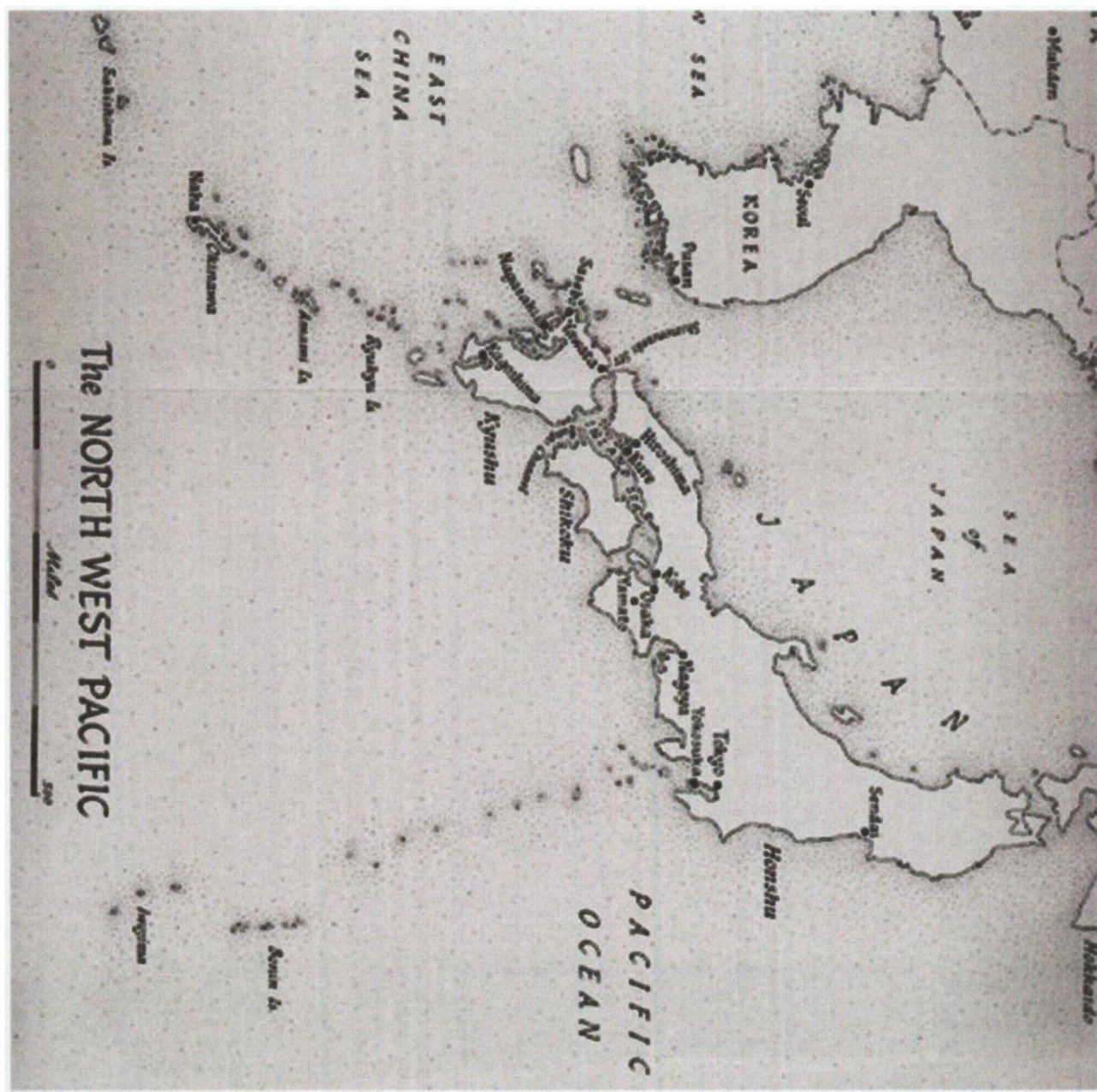
²²⁸ But Field still guarded against suggesting an imminent defeat. Field to Tarver, letter, 16 December 1947, WO 208/4922.

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devise policies in Cold War terms for China. Britain monitored events in north China as best it could but relied on the United States to maintain a China orientated towards the West that could protect British commercial interests. However, age-old American suspicions of British imperial designs on China prevented active collaboration in China during 1945-1947. Furthermore, the failure of the Marshall Mission, which the British Foreign Office predicted, saw most officials in the State Department de-prioritise China in strategic terms. Yet, developments in Europe, such as the Truman Doctrine and Marshall Plan, made it difficult for the Truman administration to pull away from Chiang in the context of the Cold War. A policy of drift therefore ensued and although the British complained about the American attitude, there was little likelihood of the Foreign Office attempting to tackle the China situation unilaterally at this stage, especially as they assessed that there were no immediate threats to Britain's more important imperial interests in central and south China.

IV

MAP NINE: JAPAN, 1945-1949



Source: S.Woodburn Kirby, *The War Against Japan, Vol.V: The Surrender of Japan* (London, 1969).
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IV

THE 'REVERSE COURSE' IN JAPAN, 1948-1949

I. Introduction

Although Japan had formally surrendered in September 1945, the war had destroyed the infrastructure of the Japanese nation-state, leaving the economy in ruins and millions facing the prospect of homelessness and hunger. Emerging as a victorious power after 1945, a British role in the occupation of Japan was legitimate. However, it soon became apparent that the occupation would be fundamentally controlled by the Americans. Unable to play a major role in East Asian affairs, the British were not too displeased to see the United States assume the burden of reconstructing Japan. But as control bodies for the occupation proved ineffective, a danger arose that British interests could be cut out altogether, affecting Britain's Southeast Asian colonies, its domestic economy and overall world power status. In an attempt to rectify this situation, the British dispatched a liaison mission to Tokyo to keep a careful watch on the direction of American policy towards Japan. A major interest for Britain and its Commonwealth partners in the Asia-Pacific was to prevent Japan from becoming a threat to world peace. By 1948, increasing Cold War tensions and turmoil in China, saw the United States begin to build up Japan as a bulwark against further communist penetration into East Asia. Pushing Cold War concerns in East Asia to one side, the Foreign Office at once worried about the implications upon Asian security and predicted increased competition for British exporters as the Japanese economy tried to expand. While Britain supported an early peace treaty with Japan, it was perhaps more sceptical than the United States about

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Japan's ability to convert its society to democracy. British concern was somewhat diluted when the United States warned the Foreign Office, in what was tantamount to blackmail, that an unfavourable attitude towards its proposals could influence Congressional appropriations for European recovery. Yet, throughout 1948-1949, the United States clearly failed to keep the British informed of its policies for Japan. Consequently, British Commonwealth and American aims diverged on issues such as reparations, economic policy and security. This divergence was not helped by infighting between the Pentagon and the State Department over the timing of a peace treaty. By late 1949, the Joint Chiefs of Staff wanted to maintain its military occupation in order to prevent another Pearl Harbor and preserve Japan as an anti-communist stronghold. The State Department, no less anti-communist, also did not want to see the American position in East Asia weakened further but felt a prolonged occupation would cause restlessness amongst the Japanese and drive them into the arms of the communist system. The British sympathised with the State Department's view as the very real prospect of a communist-dominated China in 1949 saw the British begin to devise their policies for East Asia much more in terms of a Cold War framework. Nevertheless, the internal American dispute went unresolved until after the outbreak of the Korean War and only served to fuel a prevalent conviction in the Foreign Office that the United States lacked a clear cut strategy for East Asia.

II. The Control of Japan

To this day, the war against Japan has evoked many emotions throughout the United Kingdom. The maltreatment of prisoners of war by Japan's Imperial Army has led British veterans to fight a losing battle for compensation against a Japanese nation which finds it hard to apologise for its part in the Asian-Pacific war.¹ Japan's inability to come

¹ See Robert Whyman and Michael Evans, 'Tokyo judges reject POWs' claim for compensation', *The Times*, 27 November 1998. Eric Lomax, 'Led out of our torment by the

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to terms with its recent history was in part due to the American occupation which introduced press controls and forbade debate on the war at either the popular or academic level.² In fact, it soon became apparent after the Japanese surrender that the occupation of Japan, while in theory represented as a joint allied enterprise, was to be fundamentally controlled by the United States. The late entry of the Red Army into the war against Japan precluded the possibility of a strong Soviet role in the occupation, China was wracked by internal disorder and little interest was shown by the Americans regarding British views on the occupation.³ The display of American power at the formal proceedings of the Japanese surrender on 2 September 1945, for example, dwarfed the British military contingent in Tokyo Bay.⁴

Initially, the Americans believed that Britain would be content to leave the United States to control Japan, while the British embarked upon the difficult job of re-establishing its imperial position in Southeast Asia. The task confronting the

listening lady', *The Sunday Times*, 27 December 1998.

² See Yahuda, *The International Politics of the Asia-Pacific*, p.231. The Japanese government is still reluctant to formally sign an apology with regard to China and issues such as the 'Rape of Nanking' continue to dampen relations between the two countries. See Iris Chang, *The Rape of Nanking: The Forgotten Holocaust of World War II* (London, 1997); David Watts, 'Japan avoids China kowtow', *The Times*, 27 November 1998 and George Hicks, *Japan's War Memories: Amnesia or Concealment?* (Aldershot, 1997), pp.7-8.

³ See Roger Buckley, 'A Particularly Vital Issue? Harry Truman and Japan, 1945-1952' in T.Fraser and Peter Lowe(eds.), *Conflict and Amity in East Asia: Essays in Honour of Ian Nish* (London, 1992), pp.110-124 and Gordon Daniels, 'Britain's view of postwar Japan, 1945-9', in Ian Nish(ed.), *Anglo-Japanese Alienation*, pp.257-277. It was not until 1982 that the first British book appeared on the occupation in the form of Buckley's, *Occupation Diplomacy*. Other works include Peter Bates, *Japan and the British Commonwealth Occupation Force, 1946-1952* (London, 1993); Ian Nish(ed.), *Aspects of the Allied Occupation of Japan* (London, LSE, 1986); idem(ed.), *The Occupation of Japan 1945-52*(London, LSE, 1991) and Roger Buckley, 'Competitor and Ally: British Perceptions of Occupied Japan' in *Proceedings of MacArthur Foundation Symposium on Occupation of Japan: The International Context* (Norfolk, 1984). On MacArthur's rejection of a multilateral force see Gaddis, *We Now Know*, p.57. The Soviets had already asked for the northern island of Hokkaido to be made a Soviet zone of occupation. See John Dower, *Japan in War and Peace: Essays on History, Culture and Race* (London, 1996), p.164.

⁴ One British observer wrote in his diary that: 'The British contingent is quite a small one, just *Duke of York*, *KG V*, *Newfoundland*, *Gambia*, *Napier*, *Nizam* [two or four] main destroyers screening the *Duke of York*. The United States Third fleet on the other hand has been reinforced by the Seventh Fleet Battleships but they have a vast force of battleships and cruisers. The carriers, also a vast force, are staying astride for the time being'. Diary entry for 27 August 1945, Mulleneux diary, May 1944-December 1946, Mulleneux papers, KCL. See also John Dower, *Embracing Defeat: Japan in the Wake of World War II* (London, 1999), p.43.

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Americans in Japan was also a daunting prospect. George Acheson, head of the office of the political advisor, Diplomatic Section, SCAP, wrote to Lady Seymour, the wife of the British Ambassador to China, in November 1945, describing Tokyo as 'a gloomy place...perhaps 70% destroyed as compared to Yokohama's 90%...The people look drab...and not very well fed'.⁵ The first British political representative to return to Japan, Dermot MacDermot, made similar observations and thought that: 'a tremendous effort will be required to get this country into any sort of productive shape again'.⁶ On the day of Japan's surrender, 9 million were homeless, factories lay idle and over one and half million soldiers had died.⁷ The devastation heaped upon Japan by the ravages of war meant that the Foreign Office was only too pleased to see America bear the financial brunt of rehabilitating Japan. The Foreign Office also recognised that America's predominance would help to avoid the experience of the German occupation.⁸

However, General Douglas MacArthur, as SCAP, sought to harness total control over the occupation. In Washington, this led Sir George Sansom to remark that he could glean little information from the State Department on Japanese affairs.⁹ According to Acheson, this was due to the fact that on all matters of substance: 'General MacArthur or his Chief of Staff and other members of the Bataan Club who act as his Privy Council or *genro* wish if possible to keep the State Department out'.¹⁰ Surrounding himself with a devoted wartime staff, MacArthur, who sought the Republican presidential nomination in 1948, attempted to use Japan as a political stage.¹¹ MacArthur had been one of

⁵ Acheson to Seymour, letter, 10 November 1945, SEYR 3/4, Seymour papers, CAC.

⁶ MacDermot to Foreign Office, telegram no.19, 8 October 1945, F8319/4/23, FO 371/46429 and MacDermot to Far Eastern Department, telegram no.26, 1 November 1945, F10352/4/23, FO 371/46430.

⁷ Michael Schaller, *Altered States: The United States and Japan Since the Occupation* (Oxford, 1997), p.8 and Dower, *Embracing Defeat*, p.47.

⁸ Foulds, minute, 23 August 1945, F5559/584/61, FO 371/46347 and Hudson, minute for Sterndale Bennett, 1 September 1945, F6312/584/61, FO 371/46347.

⁹ Sansom to Sterndale Bennett, letter, 11 September 1945, F7150/630/23, FO 371/46459.

¹⁰ Acheson to Acheson, letter, 7 November 1945, *FRUS, 1945, Vol. VI*, pp.838-841.

¹¹ The most powerful groups within SCAP were an intelligence section that monitored both

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America's most experienced soldiers. He had fought in the Great War, commanded West Point, served as the Chief of Staff to the United States Army and had conducted a series of successful campaigns in the Southwest Pacific from 1942-1945. General Gairdner, who had been appointed to SCAP, serving as Attlee's personal representative in Japan, admired MacArthur but admitted that the General was too impatient of criticism, too dictatorial and too sensitive to the press.¹² Truman also considered MacArthur to be an excessive egotist but while both agreed that there should be minimal outside interference in the occupation, MacArthur attempted to exclude Washington as well.¹³

MacArthur set up his headquarters at the *Dai Ichi* insurance building in central Tokyo and issued some 550 directives between September 1945 and January 1946. Washington had issued MacArthur with a lengthy set of directives on how to conduct the occupation, yet the intent was more to clarify his powers than to recommend specific policies. MacArthur implemented programmes that oversaw the abolition of militarism, the disarmament of Japan, land reform, the remodelling of public education along Western lines and attempts to foster trade unions. A new constitution was formed during 1946-1947 based upon American lines which also disavowed the use of war. Emperor Hirohito renounced divinity in 1946 and many prominent Japanese wartime figures were put on trial during 1946-1948, in which Britain took part, for war crimes at an international military tribunal. Finally, the occupation aimed to reduce the power of the *zaibatsu*, a group of big companies that formed a powerful industrial bloc headed by

Japan and South Korea, a Government Section that oversaw political reform, and an Economic and Scientific Section which carried out economic policy. The respective heads of these sections, Generals Charles Willoughby, Courtney Whitney and William Marquat, were all members of the 'Bataan gang', whose loyalty to MacArthur stretched back to prewar Manila. See Schaller, *Altered States*, pp.7, 10 and Leffler, *A Preponderance of Power*, p.91

¹² Gairdner to Foreign Office, telegram no.422, 20 April 1946, F5985/2/23, FO 371/54092. On MacArthur's appointment see Schaller, *Douglas MacArthur*, idem, *The American Occupation of Japan*, pp.20-28 and idem, *Altered States*, p.8.

¹³ Diary entry for 17 June 1945 in Ferrell(ed.), *Off the Record*, p.47. SCAP censors discouraged Japanese newspapers, for example, from reporting the actions of Truman and his administration. See Schaller, *Altered States*, p.9.

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Mitsui, Mitsubishi, Yasuda, Sumitomo and Okura.¹⁴ MacArthur never toured Japan to see things himself, choosing to live in virtual proconsular remoteness 'above the clouds'. The Japanese Conservative no doubt related to this aloof stance while the fact that SCAP was a military organisation must have reinforced a belief that the soldier still counted for more than the civilian. By early 1946, assessing the impact of MacArthur's reforms, Sansom felt that most of Japan's political elite were numb, bewildered and a little frightened too in some cases.¹⁵

Although the British government was reconciled to the fact that it would not play a major role in Japanese affairs, it was not prepared to give the United States an unlimited power of attorney to act on its behalf in all matters relating to Japan. In September 1945, the Foreign Office claimed that if Britain had no voice in Japan, it would be unable to exert its full influence on the Japanese settlement in such matters as reparations, where a purely American settlement seemed likely to favour China.¹⁶ The Foreign Office felt that the British acceptance of MacArthur did not imply acquiescence over United States policy.¹⁷ Yet, in September 1945, at a meeting of the Council of Foreign Ministers, Byrnes pressured the British into rejecting Molotov's request regarding discussion about a Japanese control commission. Byrnes even launched a veiled threat towards the British, suggesting that the successful conclusion of an American loan could be jeopardised if Britain did not comply.¹⁸ As the United States tightened their grip on the direction of

¹⁴ 'United States Administrative Control in Japan', Gascoigne to Bevin, despatch no.193, 27 October 1949, F16112/1021/23, FO 371/76213. See also Roger Buckley, *US-Japan Alliance Diplomacy, 1945-1990* (Cambridge, 1992), pp.12-13, 19; D.Clayton James, *The Years of MacArthur, Vol.III: Triumph and Disaster, 1945-1964* (Boston, 1985), chp.4; Schaller, *The American Occupation of Japan*, chp.2; John Dower, 'Occupied Japan and the cold war in Asia' in Lacey(ed.), *The Truman Presidency*, pp.375-384.

¹⁵ See Richard Storry, *A History of Modern Japan* (London, 1982), pp.240-241 and Sansom's diary of his visit to Japan in January 1946, 9 March 1946, F3595/2/23, FO 371/54086.

¹⁶ 'Control of Japan', Foreign Office memorandum, 10 September 1945, F6699/364/23, FO 371/46449.

¹⁷ Sterndale Bennett, minute, 11 September 1945, F6699/364/23, FO 371/46449.

¹⁸ Kent, *British Imperial Strategy*, p.84.

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Japanese affairs, Britain and the Soviet Union vainly tried to wrest from the Americans an effective allied control commission in Japan.¹⁹ Both the Anglo-Soviet powers saw this contentious issue as a challenge to their world power status. In Moscow, Averell Harriman and Frank Roberts reported that Japan remained high on the 'hidden agenda' of Soviet concerns. Stalin was apprehensive about a revival of Japanese militarism and worried that the United States intended to use Japan against them.²⁰ For Britain, policies drawn up solely by the United States in Japan would not only affect its Southeast Asian colonies but the British domestic economy as well, particularly in the shipbuilding and textile industries. The damage that a unilateral American hold over Japan could inflict upon British imperial prestige in Asia, especially after the sacrifices made by the Commonwealth, was very real. The Attlee government could also not ignore its responsibility for the defence of British territories in the Asia-Pacific region against future Japanese aggression.²¹

Dismissing the sensitivities of their former wartime allies, Truman, Byrnes, Leahy and MacArthur all strenuously objected to the idea of a control commission, fearing a reduction in SCAP's power and the introduction of zones in Japan similar to that of the German model. Despite complaints from Stalin and the Foreign Office suspicion that the United States was hiding behind the smokescreen of Soviet manoeuvring to keep the British out, both realised they had little ability to influence the course of American policy.²² One reason why Stalin did not pursue this matter vigorously stemmed from the

¹⁹ As matters stood in September 1945, the United States government proposed that Britain should participate in the control of Japan on the same footing as the Philippines within a Far Eastern Advisory Commission based in Washington. This Advisory Commission would possess little power and could only make recommendations on Japanese post-surrender policy. Cadogan, minute, 11 September 1945, F6699/364/23, FO 371/46449.

²⁰ Roberts to Foreign Office, telegram no.4640, 21 October 1945, F8717/1665/61, FO 371/46362 and Schaller, *The American Occupation of Japan*, pp.59-60.

²¹ See 'Far Eastern Commission', Sterndale Bennett memorandum, 29 September 1945, F7613/364/23, FO 371/46449 and Dominions Office to Canada, Australia, New Zealand and South Africa, telegram no.1988, 24 October 1945, F8518/364/23, FO 371/46449.

²² Bevin to Byrnes, letter, 12 September 1945, F6699/364/23, FO 371/46449. Dixon, minute

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fact that he hoped by acknowledging an American sphere of interest in Japan, the United States would similarly acknowledge the Soviet Union's position in Eastern Europe, China and North Korea. Truman was reluctant to accept such a *quid pro quo* but at the Council of Foreign Ministers in December 1945, Byrnes struck a deal with the Soviet Union over the question of Japan. The United States would abandon its stance on refusing to recognise the Soviet satellite regimes in the Balkans for Molotov's acceptance of an eleven-nation Far Eastern Commission and a four-power Allied Council in Japan. The Allied Council would have to vote unanimously on Far Eastern Commission proposals.²³ In the event, both bodies degenerated into no more than mere talking shops.²⁴ British interest in the workings of these bodies waned considerably when, after several unsuccessful attempts to get both Australia and Britain onto the Allied Council, Bevin reported to the Cabinet that Australia would become the sole Commonwealth member.²⁵

for Sterndale Bennett, 16 September 1945, F7090/364/23, FO 371/46449; Sterndale Bennett, minute, 16 September 1945, F7090/364/23, FO 371/46449; Bevin, minute, CM(45)35, 25th September 1945, CAB 128/1; MacDermot to Far Eastern Department, letter, 25th September 1945, F8207/6311/23, FO 371/46503; Foulds, minute, 24 September 1945, F7331/364/23, FO 371/46449 and Buckley, *Occupation Diplomacy*, chps.3 and 5. Australia was also not enamoured with the American attitude. Addison, minute, CM(45)35, 25th September 1945, CAB 128/1. For Stalin's complaints and Soviet insistence on a veto over SCAP policy see Schaller, *The American Occupation of Japan*, p.60 and Clayton James, *The Years of MacArthur, Vol.III*, pp.28-30. On American objections to a Control Commission see Gallman to Bevin, letter, 11 October 1945, F8183/364/23, FO 371/46449; Sterndale Bennett, minute, 24 October 1945, F8855/364/23, FO 371/46449; Gaddis, *We Now Know*, p.57 and Buckley, 'A Particularly Vital Issue?', p.113.

²³ Schaller, *The American Occupation of Japan*, p.61 and Dower, *Japan in War and Peace*, p.164.

²⁴ The Foreign Office considered that MacArthur had scant regard for the Far Eastern Commission and the Allied Council. Cheke, minute, 11 June 1946, F8264/95/23, FO 371/54146 and De la Mare, minute, 28 May 1946, F7753/95/23, FO 371/54144; Buckley, *US-Japan Alliance Diplomacy*, pp.11-12 and idem, *Occupation Diplomacy*, chp.5; De la Mare, minute, 23 July 1946, F10649/857/23, FO 371/54288; Denning, minute, 15 August 1946, F11591/857/23, FO 371/54288 and Graves to Foulds, letter, 6 August 1946, F11714/857/23, FO 371/54288.

²⁵ See Bevin, minute, CM(46)1, 1 January 1946, CAB 128/5. The Australian appointee to the Allied Council was also a disappointment for the British. MacMahon Ball, the head of the Political Science Department at Melbourne University, had little experience in international negotiations. Foulds, minute, 24 January 1946, F1324/2/23, FO 371/54080. However, wary of Australian sensitivities, Attlee refused to convey his doubts about MacMahon Ball to Australia. See Attlee to Chifley, telegram no.68, 20 February 1946, PREM 8/190. It was not long before the British officials had serious reservations about Australian representation on the Allied Council in Japan. Bevin, minute, 13 June 1946, F8997/2/23, FO 371/54097.

III. The British Commonwealth, Strategic Requirements and the Origins of the 'Reverse' Occupation Policy

A. BRITAIN AND THE COMMONWEALTH

Besieged by a host of commitments in the postwar world, the British government welcomed the chance to draw on Australian support for the administrative and military responsibilities inside Japan.²⁶ But, the Australian government, moving from its original position of sending an independent force, had told the British that it would only include its forces in a British Commonwealth Occupational Force (BCOF) if it retained overall command. To preserve Commonwealth unity, both Attlee and the Chiefs of Staff relented. This decision and the resultant size, composition and role of the BCOF undoubtedly dealt a blow to British imperial power in the region. During early 1946, approximately 36,000 British Commonwealth military personnel arrived in Japan under the command of the Australian Lieutenant-General, John Northcott, setting up headquarters at Kure and then Okayama.²⁷ MacArthur was particularly anxious that there should be no question of the BCOF being allotted a zone of its own, since such an arrangement would make it very difficult for him to resist a similar request by the Chinese and the Soviets. Under American jurisdiction, the BCOF's independence was consequently compromised.²⁸

²⁶ 'Occupational Forces for Japan and Korea', JP(45)217(Final), 28 August 1945, F6624/630/23, FO 371/46458.

²⁷ For the original proposal of including Commonwealth forces under British command see Attlee to Canada, Australia, New Zealand and South Africa, telegram nos. 170,290,203 and 65, 13 August 1945, PREM 8/27. See also COS minutes in COS(45)210, 30 August 1945, CAB 79/38 and Hollis, minute for Attlee, COS(45)221, 12 September 1945, CAB 79/39. The Dominions Office had been extremely doubtful whether the Australians, in 'their present somewhat truculent mood', would accept British control of the BCOF. Stephenson, minute, COS(45)210, 30 August 1945, CAB 79/38 and Australian government to Attlee, 17 August 1945, PREM 8/192. The Australian government eventually accepted control of the BCOF subject to certain conditions, the main one being the establishment of a Joint Chiefs of Staff in Australia. See COS minutes in COS(45)232, 24 September 1945, CAB 79/39.

²⁸ Gairdner, minute, COS(45)249, 12 October 1945, CAB 79/40 and COS minutes in COS(45)249, 12 October 1945, CAB 79/40.

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The British were not unprepared for such a disappointing outcome in the control mechanisms for Japan and had been focusing on other ways of safeguarding British interests, especially as MacArthur had pronounced that the occupation might last as long as five years.²⁹ The answer now seemed to lay in building up a closer Anglo-American relationship. In October 1945, General Gairdner reported to the Chiefs of Staff that he felt the 'time was ripe' for the establishment of a British liaison mission in Tokyo. As the United States had already established a large organisation in Tokyo, Gairdner considered that a liaison mission could help further British interests in Japan.³⁰ MacArthur saw no objection to such a proposal and a United Kingdom Liaison Mission (UKLM) was quickly approved by the Attlee government to add political, financial and other technical experts to the existing British staff section under Gairdner.³¹ The first civil head of UKLM, Sir Alvary Gascoigne, would see MacArthur with considerable frequency from 1946 while enjoying an amicable relationship with him before the Korean War. Gascoigne had served in China during the 1920s and in Japan from 1931-1934. A former head of the Far Eastern Department at the Foreign Office between 1934 and 1936, Gascoigne was 'bluff and reasonably direct', no intellectual but a man of 'shrewdness and common sense'. Until the late 1940s, Gascoigne's link with MacArthur was essential, especially as the British government considered the General as central to the functioning of the occupation.³²

²⁹ See Buckley, *Occupation Diplomacy*, p.72.

³⁰ Gairdner, minute, COS(45)250, 15 October 1945, CAB 79/40.

³¹ Foreign Office to Washington Embassy, telegram no.11726, 22 November 1945, F11569/8564/23, FO 371/46526 and Sterndale Bennett, minute for Scott, 4 December 1945, *ibid.*

³² Gascoigne to Denning, letter, 11 September 1946, F14696/198/23, FO 371/54248. Next to William Sebald, the senior State Department representative in SCAP, Gascoigne was the person who had the most office appointments with MacArthur between 1946 and 1951. See Hoare, *Embassies in the East*, p.159; Peter Lowe, 'Great Britain, Japan and the Future: The End of the Allied Occupation, 1948-52' in Aldrich and Hopkins(eds.), *Intelligence, Defence and Diplomacy*, pp.180-182 and Clayton James, *The Years of MacArthur, Vol.III*, pp.363, 693.

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Despite later protests from Northcott's successor as Australian commander of BCOF, General Horace Robertson, who considered that his position had been undermined, the Foreign Office later reflected that it was right to set up UKLM as virtually an Embassy. The Foreign Office explained to the Commonwealth Relations Office that with Britain's past history and prestige in Japan, it was inevitable and proper that Britain should take the lead.³³ The former British Ambassador to Japan, Sir Robert Craigie, for example, argued that opportunities for trade in East Asia necessitated a British presence in Japan. Britain, Craigie pointed out, forced by the very magnitude of its war effort to double pre-war exports, could not afford to be short-sighted in such a matter.³⁴ To help offset any inter-Commonwealth antagonisms, the Foreign Office assured the Pacific Dominions that American primacy did not mean Britain would be deterred from supporting the recovery of Commonwealth interests. Indeed, the Foreign Office kept a careful eye on American attempts to bring Japanese trade within the dollar area while major problems still revolved around the distribution of reparations.³⁵ Apart from the struggle to re-open the Japanese market to private traders, which the British finally secured in August 1947, it appeared that UKLM and the Foreign Office were not too displeased with the course of MacArthur's occupation policies during this period, despite their unilateral implementation. At this time, Britain's relations with the Japanese remained minimal as the British avoided fraternisation. This was compounded by the fact that MacArthur had ruled that contacts with the Japanese government must first be approved by SCAP.³⁶

³³ Scarlett to Cumming-Bruce, letter, 11 June 1949, F5568/1891/23, FO 371/76255.

³⁴ Robert Craigie, 'Looking Eastwards', *The Sunday Times*, 17 March 1946.

³⁵ 'Policy Towards Japan', notes for Bevin at the meeting of Dominion Prime Ministers by the Japan and Pacific Department, 18 April 1946, F7671/2/23, FO 371/54095.

³⁶ Gairdner, minute, COS(47)32, 26 February 1947, DEFE 4/2; Gascoigne to Denning, letter, 2 December 1946, F18192/12653/23, FO 371/54335 and Buckley, *Occupation Diplomacy*, chp.8.

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By mid to late 1946, Britain's low profile in the military occupation of Japan brought forth complaints of boredom from British Army personnel and demands that its badly needed manpower be relocated.³⁷ The Foreign Office, never a firm advocate of the BCOF, also thought that Britain's contingent was serving no useful purpose and damaging British imperial prestige, particularly amongst the people of Japan, as it took no part in the military administration.³⁸ In September 1946, the War Office told the Chiefs of Staff that the Army was at present stretched to the limit to fulfil its military commitments, and one month later, the Defence Committee took the decision to pull British troops out of Japan.³⁹ According to the Joint Planning Staff, Britain's primary strategic interest was that Japan should not threaten world peace or be allowed to fall under domination of a potentially hostile power. As this was a close concern of the United States, the Joint Planners thought that the British need not worry about this aspect.⁴⁰ The Foreign Office, MacArthur and the Australians had already stressed that they would not object to a reduction in British forces. Meanwhile, the new Chief of the Imperial General Staff, Field Marshal Bernard Montgomery, wanted to encourage Australia to take a larger share in the defence of its own strategic zone.⁴¹ The Chiefs of Staff were disappointed that they could not maintain a larger military share in Asian-Pacific defence with the Commonwealth and the United States but, by late 1947,

³⁷ See Lachie MacDonald, 'Cinderella Role for British in Japan: Army Protests', *Daily Mail*, 3 August 1946.

³⁸ Buckley, *Occupation Diplomacy*, p.101.

³⁹ Montgomery, minute, COS(46)146, 27 September 1946, CAB 79/52. Bevin also wanted to withdraw forces from Venezia Giulia, Italy and Greece. Furthermore, the British government needed to make good a short term deficiency of 69,000 men. See Buckley, *Occupation Diplomacy*, pp.98-100.

⁴⁰ 'BCOF in Japan - Implications of Withdrawal', JP(47)24(Final), 20 March 1947, DEFE 4/3. The COS approved this report. See COS(47)46, 28 March 1947, DEFE 4/3. See also 'Peace Treaty with Japan - Military Requirements', JP(47)61(Final), 29 May 1947, DEFE 4/4. Approved by the Chiefs of Staff in COS(47)120(0), 7 June 1947, DEFE 5/4.

⁴¹ Draft memorandum by MacDermot, no date, F14501/2/23, FO 371/54106; Sugden, minute, COS(46)173, 29 November 1946, CAB 79/54; Tedder to COS, telegram no.1425, 1 December 1946, F17292/2/23, FO 371/54113; 'Co-operation in British Commonwealth Defence: Australian Views', JP(47)82(Final), 16 June 1947, DEFE 4/5 and 'Co-operation in British Commonwealth Defence', COS(47)203(0), 6 October 1947, DEFE 5/6.

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manpower constraints forced the Chiefs to reduce the British Army component in Japan to only staff and administrative units.⁴²

B. THE COLD WAR AND THE ORIGINS OF THE 'REVERSE COURSE'

In the early months of 1947, just as the British military commitment to Japan faded, MacArthur began to lobby for the occupation to be terminated. MacArthur informed Gascoigne that he had demilitarised Japan and almost achieved its 'democratisation'. But MacArthur complained bitterly that Truman and his advisers championed their own successes in Europe at the expense of his achievements in Japan.⁴³ During July, MacArthur reiterated his thesis to Gascoigne but added that Australia, the Philippines and China aimed to ruin Japan economically by the imposition of heavy reparations and trade controls. MacArthur angrily stated that the United States would not foot the bill for keeping the Japanese economy viable and proposed that once a peace treaty had been signed, the supervision of Japan would be exercised through a UN Commission.⁴⁴ Although the Japanese government welcomed the prospect of a peace treaty and suggested that the United States retain Okinawa as ^amajor military base,⁴⁵ Gascoigne was not at all convinced that they had accepted democracy. He felt the Japanese were doubtless attracted by freedom from regimentation and police inquisition but argued that

⁴² In February 1947, the Cabinet chose to axe half its force. The V infantry brigade was to be sent from Japan to Malaya. But, there were suspicions at the Foreign Office that Montgomery was engineering the shortfall in manpower to obtain additional forces. See 'Withdrawal of U.K. Army Component from British Commonwealth Forces in Japan', JP(47)122(Final), 3 September 1947, DEFE 4/7. For a good overview of the British military contribution to the BCOF see Bates, *Japan and the British Commonwealth Occupation Force* and Buckley, *Occupation Diplomacy*, chp.6.

⁴³ Schaller, *The American Occupation in Japan*, pp.95-96.

⁴⁴ Gascoigne to Foreign Office, telegram no.935, 2 July 1947, F9054/1382/23, FO 371/63771.

⁴⁵ The Japanese, through an Inter-Ministerial Committee for Co-ordination, declared that Japan could re-establish itself to some extent in the islands of Habomai and Shikotan while the Kuriles would come under a UN mandate. Islands such as Okinawa and the Bonins could be retained by the allies, the Japanese argued, as long as they were compensated. The 'Second Ashida Memorandum' even envisaged ~~suggested~~ that if the UN could not protect Japan the United States would be permitted to send forces to Japan. See Lowe, *The Origins of the Korean War*, p.98 and Dower, 'Occupied Japan and the cold war in Asia', pp.385-386 and idem, *Japan in War and Peace*, pp.170-171.

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many years had to lapse before they could be termed as 'democrats' on the Western model.⁴⁶

In addition, MacArthur's actions, undoubtedly motivated by the announcement of the Truman Doctrine and impending presidential primary elections, coincided with a crisis in the Japanese economy. Faltering economic policy, such as SCAP's vacillation over dissolving the *zaibatsu*, contributed to falling production, rising unemployment, high inflation and a huge trade deficit. To preclude an economic collapse the United States government needed to provide annual assistance of \$400 million. America's dramatic postwar economic expansion had seen both an impoverished Europe and Japan unable to compete with the United States in global markets. By 1947, inadequate production and export earnings meant that Europe and Japan would soon run out of dollars to buy food and raw materials.⁴⁷ American policymakers, such as Acheson, Forrestal, Kennan and Army under-secretary William Draper, now insisted that in order to rectify the 'dollar gap' and contain the Soviets, the economic 'workshops' of Germany and Japan had to be rehabilitated to regain the Cold War balance of power in Europe and Asia.⁴⁸ Washington, in direct opposition to MacArthur, argued that a termination of the occupation could bring about the swift political and economic collapse of Japan.⁴⁹ Furthermore, the crumbling position of Nationalist China, the traditional centrepiece of Washington's grand design for postwar Asia, focused American planners on utilising Japan in the emerging Cold War.⁵⁰ This policy discrepancy between Truman's advisers and MacArthur concerned the Foreign Office. It did not want to be seen siding with

⁴⁶ Gascoigne to Bevin, telegram no.177, 7 August 1946, F13031/2/23, FO 371/54105.

⁴⁷ Schaller, *Altered States*, pp.12-13.

⁴⁸ Acheson, *Present at the Creation*, pp.227-229; Schaller, *Altered States*, pp.12-13 and Dower, *Japan in War and Peace*, p.173.

⁴⁹ Schaller, *The American Occupation of Japan*, p.97

⁵⁰ See John Welfield, *An Empire in Eclipse: Japan in the Postwar American Alliance System: A Study in the Interaction of Domestic Politics and Foreign Policy* (London, 1988), p.27 and William Borden, *The Pacific Alliance: United States Foreign Economic Policy and Japanese Trade Recovery, 1947-1955* (London, 1984), chp.1.

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MacArthur, especially if his views differed from the State Department. The Foreign Office recognised that Britain would have to rely very largely on the goodwill of the State Department in Japanese peace treaty negotiations to achieve its main objectives for the common interest and the Commonwealth.⁵¹

Unsure of who spoke for the United States, the British decided to postpone the question of a peace treaty when the State Department, under public pressure, reluctantly sent out invitations in July 1947 to the eleven nations of the Far Eastern Commission to discuss the matter.⁵² The invitation also clashed with a forthcoming Commonwealth conference in Canberra that placed Japanese issues high on the agenda. The British wished first to discuss Japan with the Commonwealth and therefore suggested that the Anglo-American powers begin private talks some time in the near future.⁵³ The Soviet Union similarly objected, demanding that the peace treaty be considered initially by the 'Big Four' and then a multinational forum.⁵⁴ Both the United States and Britain opposed this idea after their experience of impasse in recent Council of Foreign Ministers meetings. Britain could not conceivably exclude the Dominions from such talks.⁵⁵ The irony for British policymakers was that they dreaded both Japan's economic collapse and complete recovery. The former could divert American aid from Western Europe and destabilise Britain's imperial position in Southeast Asia which provided important dollar

⁵¹ Denning to Gascoigne, letter, 8 May 1947, F6171/1382/G, FO 371/63768 and Buckley, *Occupation Diplomacy*, p.135.

⁵² See Kennan, *Memoirs*, p.375.

⁵³ See Cabinet minutes, CM(47)49, 22 May 1947, CAB 128/9 and Bevin, minute, CM(47)54, 17 June 1947, CAB 128/10. For a full analysis of the Commonwealth conference see Buckley, *Occupation Diplomacy*, chp.9.

⁵⁴ Smith to Secretary of State, 3 January 1948, *FRUS, Vol. VI: The Far East and Australasia, 1948* (Washington, 1974), pp.647-648. The Chinese tabled a similar idea with the four main powers retaining the right of veto but all the Far Eastern Commission powers would be invited to the conference. The Chinese government wanted a veto because they feared the British Commonwealth would vote as a bloc. See Stuart to Marshall, 18 February 1948, *ibid.*, p.663. See also Dower, *Japan in War and Peace*, pp.170-171.

⁵⁵ Bevin, minute, CM(47)92, 2 December 1947, CAB 128/10 and 'Japanese Peace Settlement', Foreign Office memorandum, 16 December 1947, F16907/1382/G, FO 371/63784.

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earnings for the British, such as Malaya's rubber and tin. The latter outcome bred fear amongst Australia and New Zealand of a Japanese military resurgence, while the Chiefs of Staff and Cabinet worried that America would augment Japanese economic encroachment into Britain's Southeast Asian colonies to compensate for lost markets in Manchuria and Korea.⁵⁶

Lingering mistrust of Japan meant that few American officials were ready to champion the full restoration of Japan as a Cold War ally.⁵⁷ However, American military planners and the Policy Planning Staff at the State Department, for example, were aghast upon reading a draft treaty being prepared by the Office of Northeast Asian Affairs which took little account of Cold War concerns and emphasised disarmament, democratisation and international supervision.⁵⁸ Consequently, in August 1947, Kennan thought it would be highly dangerous for the United States to enter into discussions on peace terms until America knew precisely what it was they were trying to achieve.⁵⁹ The Joint Chiefs of Staff maintained that bases at Okinawa were essential in order to project American power across Northeast Asia. American planners warned that in the event of an American withdrawal from Japan, the Soviets would intervene more actively in Japan's affairs, with the hope of dominating the country by means of a subservient Japanese government.⁶⁰ To prevent this, Washington argued that Japan had to be stabilised so a post-occupation Japanese government could stifle internal subversion,

⁵⁶ Schaller, *The American Occupation of Japan*, pp.100-101.

⁵⁷ Dower, 'Occupied Japan and the cold war in Asia', p.387

⁵⁸ See Dower, *Japan in War and Peace*, p.164. American naval planners doubted the wisdom of demilitarising Japan and wanted the United States to retain forces in some form within Japan. The Joint Chiefs of Staff also reaffirmed the importance of retaining a strategic trusteeship over the Ryukyu Islands. Leffler, *A Preponderance of Power*, p.255.

⁵⁹ Kennan memorandum for Lovett, 12 August 1947, *FRUS, 1947, Vol.VI*, pp.486-487. See also Welfield, *An Empire in Eclipse*, pp.28-30.

⁶⁰ Leffler, *A Preponderance of Power*, p.255.

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preserve domestic order and resist inducement to join the communist orbit.⁶¹ The British JIC did not disagree that the Soviets would attempt to undermine the American authorities in Japan, especially as they had already been indoctrinating returned Japanese surrendered personnel. But the JIC dismissed any immediate Soviet threat to Japan and correctly presumed that Stalin first wanted to consolidate his position in north China, Korea and the Northeast Asian maritime provinces.⁶²

As this communist consolidation continued, the American position in China and South Korea looked increasingly precarious. Even in Japan, where the Far Eastern Commission had set Japanese industrial ^{levels} to no more than the 1930-1934₄, the Japanese economy has reached hardly more than half-way towards that goal by early 1948.⁶³ Henceforth, American officials informed the Far Eastern Commission of Washington's desire to rehabilitate the Japanese economy and make it self-supporting.⁶⁴ The implications of such a policy shift, the Foreign Office realised, would result in a smaller reparation pool for the members of the Far Eastern Commission and higher levels of Japanese industry than had hitherto been envisaged.⁶⁵ The British had regarded as necessary fairly drastic reductions on all war and war supporting industries. The Foreign Office, now worried how a policy of 'viability at all costs' and a Japanese revival

⁶¹ Schaller, *The American Occupation of Japan*, p.106 and Dower, 'Occupied Japan and the cold war in Asia', p.387-388.

⁶² 'Soviet Interests, Intentions and Capabilities', JIC(47)7/1. Final, 6 August 1947, CAB 158/1 and 'Reports by the Joint Intelligence Committee(Far East)', JIC(47)50(0)Final, 15 September 1947, CAB 158/1. See Chapter V for a discussion on Stalin's policy of consolidation.

⁶³ Scott, minute, 23 January 1948, F1187/4/23, FO 371/69802 and Cheke, minute, 8 January 1948, F207/4/23, FO 371/69802

⁶⁴ See Lowe, 'Great Britain, Japan and the Future', p.181; H.Schonberger, 'The Japan Lobby in American Diplomacy, 1947-1952', *Pacific Historical Review*, Vol.46, No.3 (August 1977), pp.327-359 and Inverchapel to Foreign Office, telegram no.322, 21 January 1948, F1187/4/23, FO 371/69802.

⁶⁵ The British had maintained that reparations should include industrial assets, shipping and shipbuilding capacity beyond Japan's peacetime requirements. Gold deposits and external assets should also be made available. See Lowe, *Containing the Cold War in East Asia*, p.15 and idem, *The Origins of the Korean War*, p.84

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would affect Asian-Pacific security.⁶⁶ These arguments provide little evidence to suggest that Britain saw Japan as an important asset in the Cold War. Gascoigne, for example, had been unimpressed with postwar Japanese Prime Ministers such as Yoshida, Ashida and Katayama, and felt more menacing figures were perhaps biding their time, waiting for the end of the occupation.⁶⁷ MacArthur, like many of his colleagues in Washington, although still distrustful of the Japanese, focused more on a possible Soviet threat to Japan. At the end of January 1948, MacArthur stressed to Lord Killearn that any Soviet incursion would be prevented immediately by a United States defensive perimeter stretching through the Mariana, Ryukyu, and Bonin Islands.⁶⁸ Dismissing the impact of the Japanese Communist Party inside Japan,⁶⁹ the head of the Japan and Pacific Department at the Foreign Office, Dermot MacDermot, concluded that the new direction of United States thinking towards Japan: 'was perhaps an attractive short term policy in the context of a general panic about Russia. But it has disquieting long term strategic and political implications'.⁷⁰ In the context of the Cold War, the Foreign Office, like the JIC, dismissed as unlikely an imminent Soviet threat to Japan either in political or military terms.⁷¹

As in China, an air of Anglo-American rivalry also persisted over economic concerns. The Foreign Office feared that in building up the Japanese economy, the United States

⁶⁶ Cheke, minute, 23 January 1948, F1187/4/23, FO 371/69802.

⁶⁷ Gascoigne to Bevin, despatch no.36, 13 February 1948, F3508/44/23, FO 371/69819. See also Lowe, 'Great Britain, Japan and the Future', p.186.

⁶⁸ Gascoigne to Foreign Office, telegram no.1, 25 January 1948, F2023/2023/23, FO 371/69912.

⁶⁹ It seemed to UKLM that, up to now, the effect of communist activity on political opinion in Japan had been negligible. Japanese Communist Party membership numbered some 16,000 with about 100,000 Japanese 'interested' in communism. Japanese communist progress was extremely slow and UKLM was confident it consisted mostly of a consolidation of the Communist Party. Gascoigne to Warner, letter, 14 February 1948, F3838/44/23, FO 371/69819.

⁷⁰ MacDermot, minute, 24 January 1948, F1187/4/23, FO 371/69802.

⁷¹ Denning, minute, 28 January 1948, F1187/4/23, FO 371/69802.

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government would 'rig things' to the advantage of American business interests.⁷² By 1948, disruption in China and Korea led UKLM to predict that Japan might be a more promising terminal for East Asian trade. UKLM had considered Japan's present artificial link to the dollar would gradually be replaced by import and export trade on a sterling or at least non-dollar basis, *so long as* there were no discriminatory laws or practices which excluded British shipping from Japan.⁷³ However, a prolonged period of American dominance in Japan looked increasingly likely in 1948. The Truman Doctrine and the Marshall Plan combined with the Soviet coup in Czechoslovakia during February 1948 and increasing turmoil in China, saw Japan begin to assume more importance in American global strategic thinking.⁷⁴ The Defence Department felt at this stage that a peace treaty would be premature and remained determined to keep Japan within the American sphere of influence. Forrestal, Royall and Draper even argued for a limited degree of Japanese rearmament once the occupation ended to preserve order against the threat of communism. But, they realised this would put a strain on the Japanese economy, undermine the Japanese constitution and bring forth outrage from most Asian-Pacific nations.⁷⁵

In an attempt to clarify American policy, Kennan and Draper visited Tokyo in March 1948 to discuss the future of Japan. Kennan saw MacArthur virtually as a law unto himself and wanted Washington to have more direct control over policymaking.

⁷² Cheke, minute, 23 January 1948, F1187/4/23, FO 371/69802.

⁷³ American cotton producers, for example, had given Japanese spinners a \$3.5 million credit to buy cotton from them. But as the market for Japanese cotton goods was in Asia, Japan would ultimately have to buy its cotton from India, and would not be able to repay the American credit. Allen to Ministry of Transport, letter, 23 February 1948, F6499/2134/23, FO 371/69913.

⁷⁴ See Dockrill, *British Defence since 1945*, p.32; Mastny, *The Cold War*, p.58; Reynolds, *Britannia Overruled*, p.176 and Young, *Britain and the World*, p.148.

⁷⁵ See Allison memorandum for Hamilton, 30 April 1948, FRUS, Vol.VI: *The Far East and Australasia, 1948*, pp.742-743 and conversation between MacArthur and under-secretary of Army Draper, and Kennan, 21 March 1948, *ibid*, pp.706-709. See also Schaller, *The American Occupation of Japan*, p.124; Drifte, *Security Factor*, pp.73-76, 79; Dower, *Japan in War and Peace*, p.174 and *idem*, 'Occupied Japan and the cold war in Asia', pp.390-391.

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MacArthur defended his occupation policies, especially the anti-*zaibatsu* measures, and derided any notion of linking Japan to a regional containment programme. Kennan remained unimpressed, arguing that to avoid economic disaster in Japan, the *zaibatsu* had to be revived and the power of labour unions curtailed.⁷⁶ Kennan vaguely relayed some of his discussions with MacArthur back to Gascoigne. As Kennan saw it, the prospects for an early peace treaty were not encouraging. Henceforth, in a period that would 'mark time', Kennan thought it might be desirable, while maintaining the present regime of occupation, to encourage the Japanese to develop an independent responsibility for the future. Gascoigne detected from his conversation with Kennan that the United States government had not yet formulated a long term policy towards Japan and were in a considerable quandary over it. This, according to Gascoigne, explained America's reluctance to consult the British on Japanese issues.⁷⁷ The Foreign Office also correctly guessed that a willingness to 'mark time' was based on a belief in Washington that there were positive advantages in continuing the occupation of Japan as a safeguard against Soviet designs. Reluctant to embrace a Cold War policy for East Asia, the Foreign Office concluded that as long as the occupation continued, 'the Japanese will rely on the Americans for support and will not really get down to the job of preparing for their own future'.⁷⁸

IV. Britain, the United States and the Economic Reconstruction of Japan

Upon his return from Japan in the spring of 1948, Kennan, through the Policy Planning Staff, laid out his recommendations before the State Department. Kennan envisaged that

⁷⁶ See Kennan, *Memoirs*, pp.369-372, 391-392; Schaller, *Altered States*, p.16 and idem, *The American Occupation of Japan*, chp.7.

⁷⁷ Gascoigne to Foreign Office, telegram no.248, 11 March 1948, F4043/662/23, FO 371/69885. For a full analysis of Kennan's views see memorandum of conversation, prepared in the Canadian Department for External Affairs, 3 June 1948, *FRUS*, 1948, Vol.VI, pp.801-807.

⁷⁸ Tomlinson, minute, 17 March 1948, F4043/662/23, FO 371/69885.

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SCAP's scope of operations should be progressively reduced to a point where its mission would largely observe the activities of the Japanese government. Economic recovery would be made the primary objective, with Japan 'amenable to American leadership' and 'industrially revived' to prevent Soviet penetration. Although the Planning Staff doubted the Soviets would attack Japan, it feared that communist control over Manchuria, China and Korea would provide a 'lever for Soviet political pressure'. Kennan, therefore, proposed that the United States should retain tactical forces in Japan, pending the conclusion of a peace treaty. The peace treaty itself, should be brief, general and non-punitive. In one point of agreement with MacArthur, Kennan stressed the utility of an off-shore security perimeter, embracing the Aleutians, the Ryukyu, the former Japanese mandates and Guam. Okinawa was seen as pivotal for the projection of air power and the prevention of an amphibious assault on Japan.⁷⁹ Kennan's overall proposals won widespread support in Washington's military and political circles.⁸⁰ However, in the presence of MacArthur, Gascoigne lambasted the Americans for failing to fully divulge their thoughts to Britain. MacArthur explained that 'inertia' had reigned in Washington because certain influential officials now wanted to prolong the occupation and implant Japan firmly in the American orbit.⁸¹

Gascoigne's complaints to MacArthur appeared to produce some positive results. Just days after his complaint, the United States Embassy in London revealed to the Foreign Office that the Truman administration was considering a relaxation of economic barriers,

⁷⁹ See 'Recommendations With Respect to U.S. Policy Toward Japan', Kennan memorandum, PPS 28, 25 March 1948, *FRUS, 1948, Vol VI*, pp.691-719; Conversation between MacArthur and Kennan, 5 March 1948, *ibid.*, pp.699-703; Kennan, *Memoirs*, pp.391-392; Schaller, *Altered States*, pp.15-16 and Gaddis, *The Long Peace*, pp.72-103.

⁸⁰ Cargo memorandum for Gerig, 5 April 1948, *FRUS, 1948, Vol VI, 1948*, pp.722-724; Thorp memorandum for Butterworth, 6 April 1948, *ibid.*, pp.964-966 and Saltzman memorandum for Butterworth, 9 April 1948, *ibid.*, pp.727-736. Kennan's proposal for a strategic trusteeship over Okinawa and commercial facilities for the Navy at Yokosuka met the minimum demands of the military services. Gaddis, *The Long Peace*, p.74.

⁸¹ Gascoigne to Bevin, despatch no.87, 10 April 1948, F6048/662/23, FO 371/69886.

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travel by Japanese businessmen abroad who might secure credits and some limited form of diplomatic recognition.⁸² Draper had already escorted a business delegation to Japan led by Chemical Bank chairman, Percy Johnston, which met with *zaibatsu* representatives.⁸³ When Draper released the Johnston report on 26 April 1948, British concern over its imperial interests in East and Southeast Asia mounted. The report stated that Japanese production would be accelerated by the relaxation of anti-*zaibatsu* measures, curtailing organised labour, controlling inflation, fixing the yen's foreign exchange value and increasing exports at the expense of domestic consumption.⁸⁴ More alarmingly and contrary to British policy, Johnston recommended the cancellation of reparations and Japanese penetration into Asian import markets, to help Japan achieve a nine-fold increase in exports.⁸⁵ UKLM pointed out that the dollars necessary to solve SCAP's dollar shortage could only come from the United States, either in payment for goods and services supplied for Japan or in respect to any shortfall, as a free gift, or later by long-term investment when Japan was able to service foreign loans.⁸⁶ This analysis reflected Britain's wider conviction that the dollar-gap was a world-wide problem and not rectifiable, as the Americans believed, through a British-led tariff-free United States of Europe. As sterling was still a vehicle for half the world's trade, the Treasury argued

⁸² Foreign Office to Tokyo, telegram no.520, 17 April 1948, F5236/662/23, FO 371/69886.

⁸³ Schaller, *Altered States*, p.16 and idem, *The American Occupation of Japan*, chp.7.

⁸⁴ Schaller, *The American Occupation of Japan*, p.129 and Lowe, *The Origins of the Korean War*, p.84.

⁸⁵ The suggestion that external assets were to accrue to the country in which they were located, cut right across British policy. See 'Comments on the Reparation Section of the Johnston Report', Shearer, minute, n.d., F8309/4/23, FO 371/69809; Schaller, *Altered States*, p.16 and idem, *The American Occupation of Japan*, chp.7. Kennan felt reparations would hamper a Japanese revival and noted that masses of ~~this~~ industrial equipment lay rotting on the docks at Shanghai and other Asian ports. Kennan, *Memoirs*, p.389.

⁸⁶ 'Financial Adviser's Comments on the Johnston Report', Thomas, minute, n.d., F8309/4/23, FO 371/69809.

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that Britain's trade and currency network constituted the principal 'bridge between the Western and Eastern Hemisphere'.⁸⁷

Throughout the spring of 1948, Draper and the State Department pressed Congress to inject almost \$500 million into Japan for the fiscal year 1949, in order to revive its economy and preclude civil disorder. Even MacArthur, after his stunning defeat in the presidential primary elections, now began to devise his industrial deconcentration policies for the requirements of Japanese recovery.⁸⁸ The course that the United States government aimed to pursue was bound to run into opposition from Britain, Australasia, India, China and the Soviet Union. Foremost, concern developed over the resurgence of Japan as a military and economic power. Within Britain, the textile and shipbuilding industries were also determined that strict limitations should be imposed upon a Japanese revival.⁸⁹ At this stage, the British still did not see Japan as a viable asset in the Cold War. But, Denning pointed out that Britain could not now remain indifferent to United States policy in Japan. The solution for Denning was to travel to America and propose five-power talks on the subject of East Asia that would include Britain, the United States, Canada, Australia and New Zealand.⁹⁰ Bevin agreed, arguing that without these talks, it was impossible to determine Britain's Asian policy, particularly as Americans appeared to be taking unilateral decisions on Japan. Bevin proposed that Denning should first visit Canada, Australia and New Zealand for oral talks, intimating Britain's intentions but stressing the need for secrecy, before he travelled to America.⁹¹

⁸⁷ Reynolds, *Britannia Overruled*, pp.179-180.

⁸⁸ Sebald to Marshall, 13 August 1948, *FRUS, 1948, Vol.VI*, pp.837-839; Sebald to Marshall, 9 December 1948, *ibid.*, pp.916-921 and Dower, *Japan in War and Peace*, pp.171-172.

⁸⁹ Buckley, *Occupation Diplomacy*, pp.168-169.

⁹⁰ 'Far Eastern Policy', Denning, minute, 24 March 1948, F8770/ /23, FO 371/69927.

⁹¹ Bevin, minute for Attlee, 3 April 1948, PREM 8/736.

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The British move for five-power talks reflected a concerted attempt to influence American policy before it crystallised. British military reports, for example, were indicating a marked increase in American defensive measures throughout Japan,⁹² but Gascoigne sensed from his conversations with MacArthur that the United States had not reached a definite consensus on long-term policy for Japan. Indeed, apart from Kennan, many officials in the State Department could not agree with the Army Department's position that Japan's level of industry had to reach the considerably high quotas laid out by the Johnston report. The State Department feared the recommendations might alienate 'allies' in the Far Eastern Commission.⁹³ MacArthur admitted to Gascoigne that there was a good deal of jealous rivalry and bitterness between individuals serving in the Army and State Departments. Lovett, for example, was not on speaking terms with Draper, and there were other high officials in the said Departments who were at loggerheads with one another for personal reasons. Yet, MacArthur was determined to stress that no senior American official had ever schemed to use Japan as an "aggressive" instrument. The final aim of all American officials was to put Japan back on its feet so that it could no longer be a burden on the American taxpayer.⁹⁴ Throughout 1948-1949, MacArthur also championed his own views, often related to Gascoigne, that dismissed

⁹² Brigadier A. Ferguson, UKLM's military adviser, noted that a number of air bases had been improved and extended far beyond the maximum necessary for mere occupation purposes. Some runways had been constructed which allegedly took B36 bombers. Japanese Army and Navy ammunition storage facilities in certain places, notably at Sasebo and Yokosuka, had also been improved. Furthermore, it was known that Japanese underground oil storage facilities had not yet been destroyed and had even been, to a limited extent, put into a usable condition. But Ferguson was in no doubt that these moves were purely precautionary and defensive. Ferguson, minute for Gascoigne, 22 May 1948, F7999/662/23, FO 371/69887.

⁹³ See memorandum of conversation, prepared in the Canadian Department for External Affairs, 3 June 1948, *FRUS, 1948, Vol. VI*, pp.801-807; Throp memorandum for Butterworth, 6 April 1948, *ibid.*, pp.964-966; Saltzman memorandum for Butterworth, 9 April 1948, *ibid.*, pp.727-736; and Marshall to Royall, 26 August 1948, *ibid.*, pp.996-1011.

⁹⁴ Gascoigne to Bevin, letter no.124, 21 May 1948, F7999/662/23, FO 371/69887. Newspaper articles such as 'American Policy on Japan: Disagreement Seen Between State and War Departments', *Nippon Times*, 21 May 1948, had been fuelling debate that internal disputes existed over American long-term policy towards Japan.

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Japanese rearmament and envisioned Japan as the 'Switzerland of the Far East', a unique symbol of peace in the modern world.⁹⁵ What resulted was a plethora of conflicting American opinions for the British to dissect.

Amidst these conflicting opinions, British hopes for five-power talks that could help to construct a co-ordinated 'allied' policy for Japan, were dealt several blows in the summer of 1948. Upon visiting Australia, Denning found the Australian External Affairs Department unenthusiastic about the proposals. Australian leaders, resenting America's unilateral decision-making towards East Asian affairs, saw the revival of Japanese aggression as a far greater problem than global communist expansion.⁹⁶ Denning was dismayed by a suggestion from the latter that an approach about a Japanese peace treaty should first be made to the Soviet Union. If Stalin agreed to a conference, the External Affairs Department then suggested putting the United States 'on the spot'. Denning, openly shocked, derided this provocative attitude and concluded that Australia, in its existing frame of mind, would not keep the talks secret if they were held.⁹⁷ Further disappointment arose when Denning finally reached Washington in late May 1948. Accompanied by Hubert Graves, the British Embassy's Asia expert, Denning held a series of conversations with senior State Department officials. Denning was forced to admit that the Chiefs of Staff had 'not given detailed consideration' to a Cold War situation in East Asia but he felt it could be safely assumed that the British Commonwealth would not wish to see America's strategic position in the Asia-Pacific weakened. He added that due to the Yalta provisions, it was an inescapable fact that the Soviet Union held a dominant

⁹⁵ Dower, *Japan in War and Peace*, pp.171-172 and Lowe, 'Great Britain, Japan and the Future', p.182.

⁹⁶ Lowe, *Containing the Cold War in East Asia*, pp.22-23.

⁹⁷ Denning to Machtig, letter, 7 May 1948, PREM 8/736. In January 1948, the CIA had also reported on Australian security leaks from a series of intercepted Soviet communications code-named Venona by GCHQ. See Christopher Andrew, 'The Growth of the Australian Intelligence Community and the Anglo-American Connection', *Intelligence and National Security*, Vol.4 No.2 (Summer 1989), pp.226-229.

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position in East Asia. Ignoring any wider Cold War implications that this dominant Soviet position could have on East Asia and its surrounding regions, Denning argued that the United States should resign itself to this situation and 'get on' with negotiations for a Japanese peace treaty. Butterworth and Kennan dismissed Denning's assumption that the Japanese were anxious to have a peace treaty. The Japanese, they suggested, were more alarmed by the prospect of being left unarmed against a Soviet-dominated Northeast Asia. This fact, according to the State Department, required another phase of the occupation in order to strengthen Japan and rehabilitate its economy.⁹⁸

Despite an apparent divergence on policy, the Foreign Office welcomed these talks but declared that Britain needed to know much more about American plans before it could formulate a response.⁹⁹ Evidence shows that in 1948, the British continued to be completely ambivalent towards any positive Cold War advantages Japan could provide. Hector McNeil, the Minister of State, saw the United States presenting Britain with a 'nasty political mess' through their apparent inability to understand Australian fears about the re-emergence of Japanese aggression. McNeil worried that the apparent determination on the part of America to treat the Japanese leniently from an industrial point of view would also land the Attlee government in trouble with its Lancashire textile community. McNeil hoped that Bevin might impress upon Marshall that Britain could not agree to either delaying indefinitely a Japanese peace treaty or adopt an indifferent attitude over the new policy for Japan.¹⁰⁰ Yet, by early June 1948, Denning was reluctantly prepared to face realities and accept the reorientation of American policy. This was not because he now saw Japan as important piece in the Cold War balance of power but

⁹⁸ Memorandum of conversation by Green, 28 May 1948, *FRUS, 1948, Vol VI*, pp.788-794; Franks to Foreign Office, telegram no.2546, 31 May 1948, F7845/6139/23, FO 371/69926 and Franks to Foreign Office, telegram no.218, 4 June 1948, F8097/ /23, FO 371/69926.

⁹⁹ Tomlinson, minute, 3 June 1948, F7845/6139/23, FO 371/69926.

¹⁰⁰ McNeil, minute for Bevin, 3 June 1948, F8332/6139/23, FO 371/69927.

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more to do with the recognition that the United States would proceed to implement policy initiatives without Britain if the latter showed a blank refusal to co-operate. It was therefore better to be working from within than without. Dening had, for example, detected 'the light of temptation' in Butterworth's eye when he mentioned the 'dissolution' of the Far Eastern Commission, though the latter hastily assured him that there were no such plans. Realising that Soviet propaganda could attack another phase of the occupation as American subjugation, Dening declared that: 'the American thinks that the United States is the sole power which can ensure security in the East, to which the other powers should be satisfied with any measures they think appropriate'.¹⁰¹ This American exclusivist attitude was ultimately undermining Britain's world power status and imperial strength in the Asia-Pacific.

Just as Dening was complaining about the American attitude towards Japan, Kennan's recommendations evolved into NSC 13 and, under the Economic Recovery in Occupied Areas programme, Congress appropriated \$108 million, that, for the first time, could be used specifically for economic recovery in occupied Japan.¹⁰² Britain, the Soviet Union, China, Australia, New Zealand and Canada all remained unconvinced that American policy was heading in the right direction.¹⁰³ Gascoigne informed MacArthur in July 1948,

¹⁰¹ Memorandum of conversation by Green, 28 May 1948, *FRUS, 1948, Vol. VI*, pp.788-794 and Dening to Wright, letter, 1 June 1948, F8091/6139/23, FO 371/69926.

¹⁰² Dower, *Japan in War and Peace*, p.174.

¹⁰³ UK High Commissioner in Canada to CRO, telegram no.663, 26 July 1948, F10555/4/23, FO 371/69813; New Zealand government to CRO, telegram no.147, 29 July 1948, F10555/4/23, FO 371/69813; Acting UK High Commissioner in the Commonwealth of Australia to CRO, telegram no.477, 27 July 1948, F10555/4/23, FO 371/69813. The Nationalist Chinese also wanted the prevention of any repetition of Japanese aggression and the rehabilitation of Japan to dangerous levels. See 'Conversation Between the Secretary of State and the Chinese Foreign Minister: Foreign Affairs', Bevin to Lamb, telegram no.343, 29 October 1948, F15285/361/G, FO 371/69608 and record by MacDonald on conversation with Soong, 9 June 1948, 22/2/47, MJM, Durham University Library(DUL). The Soviets suggested that the Americans were encouraging inflation and completing the economic ruin of the country, so Japan could be built up as jumping-off point for their aggressive designs against the Soviet Union. Pink to Bevin, letter, 21 July 1948, F10731/662/23, FO 371/69887.

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that the Japanese appeared to be more sulky and arrogant.¹⁰⁴ The British Press were concerned that although Japan had been demilitarised in the material sense, there had been no mental disarmament.¹⁰⁵ The Japan and Pacific Department at the Foreign Office concurred, noting that: 'The real danger is that the more likely they [the Japanese] are to revert rapidly to extreme nationalism as soon as the restraints are removed'.¹⁰⁶ At a Commonwealth Prime Ministers meeting, the Australian delegation argued that the recent war trials suggested there had been little real change of heart on part of the Japanese.¹⁰⁷ Fearing for the future, the Australian Prime Minister, Ben Chifley, thought that the United States had become obsessed about the Soviet menace and were conducting a policy that would defeat itself by building Japan up to such an extent to make it once again a threat to international security.¹⁰⁸ According to UKLM, the tone of SCAP and its local English-language newspapers in Japan confirmed this hysteria about the threat of communist penetration, to the exclusion of any concern about Japanese militarism.¹⁰⁹

¹⁰⁴ Gascoigne told MacArthur that he had received a serious report from the head of the Purchasing and Selling Section of UKLM, whereby the latter had received great discourtesy at the hands of officials of the Japanese Board of Trade with whom he wished to discuss disabilities under which foreign firms in Japan were now operating. Gascoigne to Foreign Office, telegram no.631, 1 July 1948, F9266/1956/23, FO 371/69911 and note on meeting held in Denning's room on 15 July 1948, MacDermot, minute, 15 July 1948, F9980/8598/23, FO 371/69930.

¹⁰⁵ Richard Hughes, 'Japan: the enemy has become ally', *Sunday Chronicle*, 15 August 1948 and Hessell Tiltman, 'Japs win the peace', *Daily Herald*, 16 August 1948.

¹⁰⁶ Lowe, 'Great Britain, Japan and the Future', pp.182-183.

¹⁰⁷ Evatt, minute, PMM(48)3 at Downing Street, 12 October 1948, CAB 133/88.

¹⁰⁸ Acting UK High Commissioner in the Commonwealth of Australia to CRO, telegram no.477, 27 July 1948, F10555/4/23, FO 371/69813.

¹⁰⁹ The local English language daily, the *Nippon Times*, and the *Stars and Stripes*, which catered for the American occupation forces, had recently carried a steadily increasing volume of anti-communist material. Figures released by GHQ in Tokyo estimated that the actual membership of the Japanese Communist Party was 15,200 and for fellow travellers, approximately 70,000. UKLM considered that this figure, for a country with a population of 80 million, was remarkably small. Pink to Bevin, letter, 26 August 1948, F12413/44/23, FO 371/69823.

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These views had been reinforced by the British Commonwealth's strong objection to SCAP pressure on the Japanese government to outlaw strikes and labour agitation in July 1948. When Britain and Australia protested, MacArthur boomed that the British Commonwealth was lining up with the Soviet Union. The episode epitomised America's determination to pursue its new Cold War economic policy for Japan.¹¹⁰ Japan, with its skilled manpower and industrial war making potential, constituted a critical basis of power in Asia that the United States could not allow the Soviet Union to control. Consequently, although Asia ranked behind Europe and the Middle East in American political-strategic priorities, Japan could not be written off and formed part of a strategic defensive in the East.¹¹¹ The British JIC did not quarrel over the strategic significance of the Japanese Islands and considered that under Soviet control, they could play a most useful part in the defence of the latter's Northeast Asian provinces. But a strategic threat to Japan was still not anticipated at this stage and the British remained uncomfortable with the idea of a prolonged occupation, especially over the degree to which Japan should be economically built-up.¹¹²

These concerns apart, MacNeil's earlier protestations that the British should flatly oppose delaying a peace treaty were not politically expedient, in view of Britain's need for American economic help and defence co-operation against possible Soviet aggression in Europe. To achieve their goals in Japan, the United States had strong political levers with which to persuade their allies. Marshall, in conversation with the new British Ambassador to Washington, Oliver Franks, felt that an understanding of what the

¹¹⁰ Schaller, *The American Occupation of Japan*, pp.135-136 and Cheke to Wakely, letter, 1 October 1948, F13656/44/23, FO 371/69824. MacArthur complained to Gascoigne that Britain always seemed to be 'led by the nose' by Australia. MacArthur felt Australia was too obsessed with its part of world and did not have a global outlook. Gascoigne to Denning, 30 June 1948, F9701/6724/23, FO 371/69928.

¹¹¹ Dower, 'Occupied Japan and the cold war in Asia', pp.391-393. See also chp.V.

¹¹² 'Russian Interests, Intentions and Capabilities', JIC(48)9(0)Final, 23 July 1948, DEFE 4/15.

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United States were seeking to do in Japan, was important not only for America's broad East Asian interests but also in relation to the European Recovery Programme (ERP). Marshall warned Franks that what could begin as an issue of spending fewer dollars in Japan might over the coming months be broadened out by a chain reaction into a less favourable attitude in America to the ERP.¹¹³ In China, the Nationalists were similarly in a difficult position to protest strongly against America's Japanese policy. The maximisation of its share of reparations undoubtedly had a higher priority in most Nationalist minds than any longer term considerations of economic stability in Asia. But the Chinese could not afford an open break with the United States as they needed American aid to stem the engulfing waters of Chinese communism.¹¹⁴

Despite Marshall's veiled threats, by the late summer of 1948, the Attlee government faced continuous demands from the British textile industry to curb Japan's textile trade. Bevin tried to impress upon the Board of Trade and Raymond Streat, the chairman of the British Cotton Board, that the proposal to prevent the Japanese textile trade from developing was a very difficult one. The United States was paying £400m a year to support Japan and it was unlikely that Congress would absorb this sum much longer. Bevin also pointed out that the world was starved of textiles and once Southeast Asia had settled politically, its demands would be enormous. Bevin concluded that: 'he would feel uneasy in argument with other countries about restricting Japan when the markets were already there for our asking and the British could not go all out to fill them'.¹¹⁵ In Lancashire, the heart of the British textile industry, the view remained that it could not withstand competition from the Japanese which employed extremely cheap labour. As a compromise, the Board of Trade suggested that the British ask the United States to

¹¹³ Franks to Foreign Office, telegram no.3474, 15 July 1948, F9870/662/23, FO 371/69887.

¹¹⁴ See 'China's Attitude Towards Japan' Thomas, minute, 12 March 1948, F5407/4/23, FO 371/69086 and chapter VI.

¹¹⁵ Bevin, minute, 18 August 1948, F10929/60/23, FO 371/69814.

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sanction a combined Anglo-American textile industry mission to Japan for talks on a non-governmental basis with SCAP and Japanese textile experts.¹¹⁶ Concern still reigned in the Foreign Office that a mission consisting of producers would lead to very one-sided recommendations. The Foreign Office were doubtful that it would be possible to obtain restrictions on textiles and this was borne out in 1950 when MacArthur appeared reluctant to receive an industry mission.¹¹⁷ Proponents of heavy restrictions on the Japanese economy were dealt a further blow, after the British had successfully conducted complex financial negotiations for a widening of sterling-area trade with SCAP. In 1948 and 1949, Britain reached agreement on the sum of \$112 million for the period July 1948 to June 1949 and £143 million from July 1949 to June 1950.¹¹⁸ The British dilemma remained focused between avoiding a Japanese collapse, that could have a knock-on effect upon its imperial position in Southeast Asia and force the Americans to divert aid from the ERP, and thwarting a complete Japanese recovery, that raised questions of security and economic competition.

V. The Politics of the Peace Treaty with Japan

A. BRITAIN AND A NEW POLITICAL DAWN FOR JAPAN

As 1948 drew to a close, the election of Yoshida Shigeru in October, marked a new era of continuity in Japanese politics. Yoshida had been Japanese Ambassador to London during the 1930s and his objection to the continuation of the war in 1945, led to his arrest by the military but saw the Americans exempt him from the postwar purge. Yoshida, although opposed to militarism, aimed to preserve Conservative forces in

¹¹⁶ The Board of Trade presumed that India would also be interested in the mission. Meeting at the Foreign Office, 4 October 1948, F13779/60/23, FO 371/69815B.

¹¹⁷ Cheke, minute, 4 October 1948, F13779/60/23, FO 371/69815B and Lowe, *The Origins of the Korean War*, pp.85-86.

¹¹⁸ For a full discussion on the implementation of these agreements see Buckley, *Occupation Diplomacy*, pp.166-170.

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postwar Japan. His shrewd tactics and sometimes recalcitrant conduct, at first led MacArthur and UKLM to see him as lacking in application. MacArthur also considered him lazy and politically inept although the relationship remained courteous.¹¹⁹ It was part of Yoshida's panache to assume a rather English air, suggested by his choice of clothes and his attachment to a well-loved Rolls Royce. This was a mild, calculated irritation to the dominant Americans.¹²⁰ Gascoigne regarded Yoshida as 'likeable enough' but saw him as an intriguer and trouble-maker who aimed to split Britain and American apart while complicating British inter-Commonwealth relations.¹²¹ On the question of policy, Yoshida desired an early peace treaty that would enable the United States to retain their strategic advantages *vis-à-vis* the Soviet Union. Yoshida stressed that unless Japan was allowed to have a much stronger police force or army, he would welcome the presence of American troops to defeat communist fifth column methods inside the country. Yoshida's aim was to make Japan less of a burden to the American taxpayer, foster democracy, strengthen the economy and restore Japan's stature in the world.¹²²

As Yoshida tried to accommodate the Americans in their strategic policies towards Japan, Bevin realised that for the Commonwealth, security in the Pacific, whether the potential aggressor was Japan or the Soviet Union, also depended to a major extent on the United States. Realising that Britain could not play a major role in East Asian affairs,

¹¹⁹ Gascoigne to Foreign Office, telegram no.1211, 22 October 1948, F14829/44/23, FO 371/69825. Yoshida has often been underestimated but proved to be a wily operator and stayed in power until 1954. See also John Dower, *Empire and Aftermath: Yoshida Shigeru and the Japanese Experience, 1878-1954* (London, 1979), chp.9 and Schaller, *Altered States*, p.7.

¹²⁰ Storry, *A History of Modern Japan*, p.254.

¹²¹ Gascoigne to Foreign Office, telegram no.1211, 22 October 1948, F14829/44/23, FO 371/69825. Gascoigne's 'intriguer' remarks stemmed from an inquiry by Yoshida as to whether he could employ as an adviser A. Edwardes, a former member of the Chinese Maritime Customs Service and a past adviser to the Japanese Embassy in London before 1941. Gascoigne replied that it would be impossible to employ Edwardes because of the latter's pre-war activities and because employment of a British national in a sensitive post would not be acceptable to SCAP. See Lowe, 'Great Britain, Japan and the Future', p.187.

¹²² Gascoigne to Foreign Office, telegram no.1211, 22 October 1948, F14829/44/23, FO 371/69825; Dower, *Japan in War and Peace*, pp.208-241 and Lowe, 'Great Britain, Japan and the Future', pp.186-187.

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there was a case for having to accept American policies and a recognition that Japan should have a viable economy. Although Bevin did not wish to see levels rise beyond Japan's 1930-1934 standard of living, if the Americans set them higher, he was prepared to consider them.¹²³ Still, British anxiety over a prolonged occupation had not been ignored by the United States. In late 1948, Butterworth briefly outlined to Graves the recent trends in American thinking towards Japan. He told Graves that Denning's remarks concerning the psychological effects of maintaining the occupation, focused the United States on cushioning this impact by changing the character of the occupation. The Japanese would be given greater political freedom while SCAP would become little more than an important political counsellor. Occupation forces would also begin to concentrate on the vital zones only. Intimating the reduction of outside interference even further, Butterworth thought the Far Eastern Commission had done all it could. It could no longer settle the issue of reparations which led Butterworth to presume that the Commission would lapse into a state of 'innocuous desuetude'.¹²⁴

Graves correctly estimated that an early peace treaty was still not contemplated by the Truman administration because it would give the Soviets an opportunity to press for the withdrawal of American troops, thereby leaving a dangerous vacuum inside Japan.¹²⁵ Lovett, for example, worried that communist control of Manchuria, northern China and perhaps all of Korea, could enable the Soviets to tie Japan economically to its Northeast Asian provinces.¹²⁶ After much debate, the State Department finally accepted the Army's position on Japan.¹²⁷ Henceforth, in October 1948, the NSC concluded that the question

¹²³ 'Discussion of Japanese Problems with the Commonwealth Prime Ministers', Bevin memorandum, n.d., F13872/662/23, FO 371/69887.

¹²⁴ 'United States Policy towards Japan', summary of interview with Butterworth, 4 October 1948, F14331/662/23, FO 371/69887.

¹²⁵ 'Estimate of United States Intentions Regarding Japan', Graves memorandum, 4 October 1948, F14331/662/23, FO 371/69887.

¹²⁶ Lovett to Marshall, 7 October 1948, *FRUS, 1948, Vol VI*, pp.862-865.

¹²⁷ Saltzman to Marshall, 15 September 1948, *ibid*, pp.1015-1016 and Lovett to Royall, 28

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of Japanese security should only be formulated in the light of the prevailing international situation and degree of internal stability in Japan. It recommended retaining American forces and advised the United States government not to press for an early peace treaty. Rearmament was considered impractical and, contrary to British Commonwealth suspicions, distrust of Japan remained a feature of United States planning.¹²⁸ Following his election triumph in November 1948, Truman committed his full authority to the so-called 'reverse course'. On 10 December, he issued an economic directive that consolidated the themes of NSC 13/2, the Johnston report and measures to build up Japanese industry. He named a special emissary, Detroit banker Joseph Dodge, to oversee SCAP and implement a stabilisation programme.¹²⁹

MacArthur remonstrated to Washington that the success of a stabilisation plan depended upon a United States aid package for Asia of \$165 million, no international trade discrimination and the ability of Japan to conduct freely its own foreign commerce and merchant shipping. The problem was that any programme depended on Japan gaining access to East and Southeast Asian markets. Critical areas of Southeast Asia were wracked with instability and at the same time, large parts of Northeast Asia had fallen under communist control.¹³⁰ Despite these problems, there was little prospect of any joint Anglo-American plans for the Asian region. By the end of 1948, Denning fumed to Graves that: 'unless there is a concerted Far Eastern policy soon, the future can only develop to our common detriment'. Denning charged that American policy would fail in

October 1948, *ibid*, pp.1038-1040.

¹²⁸ 'Recommendations with respect to United States Policy Toward Japan', NSC 13/2, 7 October 1948, *ibid*, pp.858-862. MacArthur had vociferously opposed Japanese rearmament. Dower, *Japan in War and Peace*, p.175.

¹²⁹ Schaller, *Altered States*, p.17. Dodge, former President of American Bankers Association, was to crack down on government spending, constrain wages and cut domestic consumption, all of which were essential to boost Japanese production, stabilise the yen and attract capital and promote exports. See Borden, *The Pacific Alliance*, pp.88-94.

¹³⁰ Draper to Lovett, 14 December 1948, *FRUS, 1948, Vol.VI*, pp.1062-1063 and chapters V and VI.

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China, Korea and Japan because they did not understand the intransigent nature of those countries. Still angry, Denning wondered how long it would be before the United States abandoned East Asia. He rectified this last sentence later by suggesting that he was just 'letting off steam'.¹³¹ The British, for their part, had appeared reluctant to devise policies towards East Asia in Cold War terms and seemed more concerned about maintaining economic advantages to consolidate imperial and world power status. These facts, as well as differences of opinion inside the Truman administration over Japanese policy, explain why the United States did not feel able to consult with the British in Japan.

By early 1949 communist control over North Korea, northern China and anticipated communist advances into Southeast Asia and Formosa, brought new impetus to the American focus on Japan's economic recovery. The Japanese government had already discouragingly announced that its economy could not reach 1930-1934 levels of production by 1953. A self-sustaining economy envisioned by the United States would now require increasing exports from \$600 million in 1949 to \$1.5 billion in 1953. Such an increase would disturb Australia, New Zealand and the Philippines, who feared a revival of Japan's military power. These countries were also still reluctant to grant most-favoured nation treatment to Japanese goods. The situation was made worse by disruptive nationalist uprisings in Southeast Asia, which damaged the flow of trade, increased food shortages and, more importantly, reinforced Japan's dependence on American supplies.¹³² In the opinion of the Foreign Office and UKLM, these depressing indicators spelt disaster for Japan, even more so as Yoshida did: 'not give the impression of being particularly well qualified to cope with the intricate political and economic situation'.¹³³

¹³¹ Denning to Graves, letter, 29 December 1948, F18545/33/10, FO 371/69550.

¹³² Acheson to certain Diplomatic Offices, 8 May 1949, *FRUS, Vol. VII: The Far East and Australasia (Part II), 1949* (Washington, 1976), pp.736-737. Australian emotions were deemed by the Americans to continue to override the logic of the situation. Interim Directive by JCS to MacArthur, 12 May 1949, *ibid.*, p.744 See also Leffler, *A Preponderance of Power*, p.299.

¹³³ Lowe, 'Great Britain, Japan and the Future', pp.187-188.

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However, the arrival of Dodge in Japan during February 1949, ushered in new policies that revitalised the *zaibatsu*, restricted inflation, promoted exports, decreased workers living standards and, along with help from Yoshida, limited the rights of unions to bargain and strike. By implementing these measures, Dodge hoped to contain communism and encourage Japan to align itself, commercially and ideologically, with the West.¹³⁴

As Dodge attempted to reinvigorate the Japanese economy, the implications for the British were not encouraging. In February 1949, Sir William Strang, during a tour of Asia, visited Tokyo. Strang reported that there was little margin for increased home production and Japanese exports would therefore have to be increased by five or six times the present amount. This, Strang noted, was bound to mean increased competition with British exporters. United States pressure to relax restrictions on the Japanese economy and merchant shipping, left Strang in little doubt that the Japanese would once again attempt to attain economic predominance over those areas which they seized between 1941 and 1942.¹³⁵ Yet, by early 1949, Britain's ability to gauge any clear indication of United States policy in Japan was still hampered by a lack of consultation with the State Department and a policy of drift in Washington. Royall attempted to rectify this aura of drift in 1949, when he announced to the Press that in the event of war against the Soviet Union, the United States was under no obligation to defend Japan and American troops would withdraw. Royall's comments, quickly denied by Acheson, confused the British, shocked Yoshida and infuriated MacArthur.¹³⁶

¹³⁴ See Schaller, *Altered States*, p.17.

¹³⁵ 'Sir William Strang's Tour in South-East Asia and the Far East, Strang report for Bevin, 27 February 1949, F4447/1051/61, FO 371/76208.

¹³⁶ MacArthur reaffirmed that America was determined to keep the Soviets out from the island line Japan-Okinawa-Formosa. See Gascoigne to Foreign Office, telegram no.145, 10 February 1949, F2223/10345/23, FO 371/76215; Gascoigne to Foreign Office, telegram no.172, 13 February 1949, F2328/10345/23, FO 371/76215 and Franks to Foreign Office, telegram no.957, 16 February 1949, F2487/10345/23, FO 371/76215. Tomlinson minuted that: 'as long as he remains in the government the possibility that they will gain ground cannot be excluded'.

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Although Royall knew full well that the United States would not, as MacArthur claimed, 'scuttle the Pacific', his outburst aimed to move the Truman administration, MacArthur and the Japanese into thinking about requirements for a post-occupied Japan.¹³⁷ Its immediate effect was to cause alarm amongst America's allies concerned with Asia. Denning told the British Embassy in Washington that Royall's comments instilled doubts which would not be easy to eradicate, least of all in Australia and New Zealand.¹³⁸ When Butterworth, in an attempt to reassure the British, told Franks that no changes were contemplated in American strategy, the latter wryly lamented that if Britain knew more about the details of United States policy this would have been a helpful remark but without the precise knowledge it did not assist Britain to any great extent.¹³⁹ Since Denning's meeting with the State Department in the summer of 1948, the British had rarely been informed of United States policy on Japan. In March 1949, Denning complained to Bevin that he had no notion as to how American ideas were developing on the subject, or indeed whether they had any ideas at all. Both Denning and UKLM were particularly worried about whether the Japanese would co-operate with the West once the occupation was over. UKLM was unprepared to indulge in any extravagant expressions of good-will for the new Japan, common among a certain section of the Americans, if only because many British officials did not believe that the new Japan was all that new. But the British did not regard the Japanese with the blank hatred sometimes encountered amongst the Australians.¹⁴⁰

Tomlinson, minute, 14 February 1949, F2268/10345/23, FO 371/76215.

¹³⁷ Memorandum of conversation by Bishop, 16 February 1949, *FRUS, 1949 (Part II), Vol VII*, pp.655-658. Royall did eventually backtrack stating that the garrison would stay at Okinawa. See Gascoigne to Foreign Office, telegram no.172, 13 February 1949, F2328/10345/23, FO 371/76215 and Schaller, *The American Occupation of Japan*, pp.164-165.

¹³⁸ Denning to Graves, letter, 14 February 1949, F2384/10345/23, FO 371/76215.

¹³⁹ Franks to Foreign Office, telegram no.955, 16 February 1949, F2485/0345/23, FO 371/76215.

¹⁴⁰ See Pink to Scarlett, letter, 25 June 1949, F9901/4/23, FO 371/76216 and 'China and Japan', Denning, minute for Bevin, 23 March 1949, F4488/1023/61, FO 371/76023.

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B. BUILDING A COLD WAR STRATEGY FOR JAPAN

When the United States began to move on NSC 13/2, its unilateral implementation irked the British. In May 1949, NSC 13/3 recommended that the United States government should advise the Far Eastern Commission that all industrial facilities, including so-called 'primary war facilities', presently designated for reparations would be utilised as necessary. Furthermore, there would be no limitations on Japan's production for peaceful purposes or on levels of Japanese productive capacity in industries devoted to peaceful purposes.¹⁴¹ These measures were not discussed with the British but simply announced before a meeting of the Far Eastern Commission. This action, undoubtedly dealt a blow to Britain's world power status and Franks explained that a reason for this attitude lay in the lack of any serious American conviction that other countries had a definite right to be consulted. But the British Ambassador felt that a failure on the part of the United States to consult effectively with Britain threatened to create a growing divergence of views on policy.¹⁴² The Foreign Office observed that the United States were heading towards a position which would make it positively dangerous for them to countenance a peace treaty, since a peace conference would have the right to reverse any of the unilateral decisions which they were now taking.¹⁴³

Such an assessment by the Foreign Office took on more significance in June 1949, when shortly after the American Secretary of Defence, Louis Johnson, had called for a co-ordinated policy 'to contain communism' in Asia, the Joint Chiefs of Staff submitted a controversial paper on United States security needs. The paper declared that America had to maintain strategic control of an 'offshore island chain' in Asia, with Japan playing

¹⁴¹ 'Recommendations with Respect to United States Policy Toward Japan', Report by NSC, NSC 13/3, 6 May 1949 in 'Recommendations with Respect to United States Policy Toward Japan', Note by Lalor and Ives, JCS 1380/62, 9 May 1949, RJCS: 1946-1953, MF 47, KCL.

¹⁴² Franks to Bevin, despatch no.399, 23 May 1949, F7919/10115/23, FO 371/76210.

¹⁴³ Tomlinson, minute, 1 June 1949, F7919/10115/23, FO 371/76210.

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a pivotal role as a forward staging area from which United States military power could be launched. The Japanese Islands, claimed the Joint Chiefs, were of high strategic importance to United States security interests in East Asia because of their geographic location with respect to trade routes of North Pacific, the exits and entrances of the Sea of Japan, the East China and Yellow Seas. Under Soviet control these could be used as a base for aggressive action directly against American bases in the Western Pacific. The Joint Chiefs argued that Japan's strategic importance was increased by its skilled manpower and industrial potential which could be exploited by the Soviets, especially as the latter was in control of Japan's wartime industrial provinces in Northeast Asia. The Joint Chiefs also endorsed the creation of a Japanese Army in time of war which could tie down the Soviet Union on its Asiatic front, upsetting their concentration against Europe and the Middle East.¹⁴⁴ Although MacArthur and the State Department felt that Japanese rearmament was inadvisable during peacetime, there were no objections to considering the idea in secret, if war between the Soviet Union and the United States broke out.¹⁴⁵

In 1949, British military planners agreed that Japan and the Ryukyu Islands could provide valuable air bases within strategic bomber range of industrial areas of the Soviet Union. Japan had become the one remaining relatively secure non-communist area in East Asia. British planners wanted to prevent any country from exploiting Japan's manpower and industrial potential in a direction antagonistic to Commonwealth

¹⁴⁴ 'Current Strategic Evaluation of U.S. Security Needs in Japan', JSSC Report to JCOS, JCS 1380/65, 1 June 1949, RJCS: 1946-1953, MF47, KCL; 'Strategic Evaluation of United States Security Needs in Japan', Report by JCS, 9 June 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.744-777 and 'United States Policy Toward Asia', Johnson memorandum for the NSC, JCS 1992/2, 19 June 1949, RJCS: 1946-1953, MF56, KCL. In May 1949, the CIA had also stated that the Japanese industrial machine was more important to the Soviet Union due to its effective control of northern China, Manchuria and North Korea, whose natural resources Japanese industry could utilise most efficiently. See Dower, 'Occupied Japan and the cold war in Asia', p.393

¹⁴⁵ Bishop memorandum to Butterworth, 1 April 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.694-696. For MacArthur's views see memorandum of conversation by Bishop, 16 February 1949, *ibid*, pp.655-658.

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interests.¹⁴⁶ The Joint Planning Staff maintained that the United States had to negotiate a treaty and a bilateral defence agreement, whereby America undertook the naval and air defence of Japan in return for bases and facilities in Japanese territory. Japan would be permitted to build up an army, armed and equipped by the United States, to defend itself against an external aggressor. These measures, the Planning Staff argued, ensured that the Japanese themselves did not have balanced forces capable of aggression, or the need for a large arms industry. There was no question of Britain accepting Soviet or Chinese communist participation in the control measures for Japan. The Joint Planners concluded that if the United States agreed upon a bilateral defence treaty, the revival of Japanese shipbuilding industry would not represent a threat to Britain's security.¹⁴⁷ The Chiefs of Staff concurred and recognised that the most immediate threat lay in Japan joining an unfriendly Asiatic or communist bloc. Consequently, the Chiefs of Staff recommended that adequate provisions for Japan's external defence and internal security had to be made.¹⁴⁸

These assessments vividly indicated an appreciation of the strategic importance of Japan in the global struggle against communism, to the degree that British military planners were even prepared to accept limited Japanese military rearmament. However, in 1949, the only clear views the British received on the future of the occupation continued to come from MacArthur. The latter had told Admiral Sir Patrick Brind, Commander-in-Chief Far East Station, that he wanted Japan to remain strictly neutral and emphasised that he personally had no intention of converting the Japanese, whom he still distrusted, into allies against the Soviet Union. To secure Japan against Soviet

¹⁴⁶ 'The Implications of a Communist Success in China', JIC(49)48(Final), 30 September 1949, CAB 158/7 and Acheson memorandum for Franks, 24 December 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.927-929.

¹⁴⁷ 'Japanese Peace Treaty - Defence Aspects', JP(49)163(Final), 20 December 1949, DEFE 4/27.

¹⁴⁸ 'Japanese Peace Treaty - Defence Aspects', COS(49)453, 23 December 1949, DEFE 5/15.

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attack, MacArthur preferred using bases in the Pacific Islands, especially Okinawa, Manila, Guam and, in the north, the Aluetian and Alaskan bases. To Brind's suggestion that an atomic bomb might wipe out bases on Okinawa, MacArthur produced the rather lame reply that if the Soviets had such bombs they would use them on more important targets.¹⁴⁹ MacArthur's views were very different from those in the Pentagon and by 1949, MacArthur's grip on the formulation of United States policy was *declining* ~~slipping from his grasp~~ and his pronouncements could not be relied upon as a true guide to the thinking of the Truman administration.¹⁵⁰

Kennan, on a visit to London, confessed to Denning that, although the United States were now seriously considering a Japanese peace treaty, the defence aspects of a possible treaty still remained a major problem. Kennan stressed that the United States did not want Japan for offensive operations but did want to deny it to a potential enemy and were looking at the possibilities of a bilateral agreement with the Japanese. Denning pointed out that the bilateral idea had long been in British thinking. The Foreign Office believed that a peace treaty which would allow the Japanese to re-enter the comity of nations would be a sufficient inducement for them to voluntarily concede bases for American security and ensure Japan's friendship. Kennan's dilemma focused on the Soviet Union and a communist China. He felt no agreement could be reached with them present at the peace table but, conversely, if excluded, they might make their own treaty with Japan which was more favourable.¹⁵¹

¹⁴⁹ Brind had also suggested to MacArthur that Okinawa might itself be vulnerable since airfields there were concentrated in a small area. MacArthur agreed but suggested that it would be possible to arrange for radar cover and attacking aircraft would have to come from so far afield that they should receive adequate warning of their approach. Pink to Foreign Office, telegram no.750, 13 July 1949, F10130/10115/23, FO 371/76210.

¹⁵⁰ Schaller, *Altered States*, chp.1

¹⁵¹ Record of conversation with Kennan and Denning, 26 July 1949, W4528/2/500, FO 371/76383 and brief for Council of Foreign Ministers: Japan, Scarlett to Bevin, 19 May 1949, F9014/1021/23, FO 371/76211.

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Although British thinking towards East Asia had begun to move gradually into a Cold War framework, there still remained several contentious issues between the Anglo-American powers. The Foreign Office disagreed with American attempts to allow Japan the ability to participate in international affairs before the conclusion of a peace treaty and objected to their reparations and economic policy.¹⁵² The Foreign Office still argued that if Britain permitted Japan unrestricted production, after a few years of full-scale industrial rehabilitation, Japan could be free to exploit its increased capacity or fall under influence of the Soviet Union with this considerable industrial power.¹⁵³ As a serious divergence of policies appeared to be emerging, officials from the Foreign Office, including Bevin, travelled to the United States in September 1949 to discuss East Asian issues. Preliminary discussions between Butterworth and Denning, saw the latter press for an early peace treaty, a bilateral defence agreement and a conference that could proceed without communist China and the Soviet Union. Butterworth did not object to Denning's suggestions, so long as the United States had an assurance that the British Commonwealth, France and the Netherlands would embrace the key clauses of a generous treaty. Butterworth remained sceptical on this point and argued that the Philippines, Australia and Malaya were not prepared for the intimate contacts with the Japanese which would be implicit in a treaty. Although Denning admitted that Britain also favoured restrictions on iron and steel, oil refining and ship building industries, he

¹⁵² For example, SCAP had allowed the Japanese government to accede to an International Telecommunications Union and at recent meetings of that Union in Geneva and Paris the propriety of this action was questioned by delegates. In Geneva, the Japanese delegation withdrew and in Paris after debate, an American proposal that 'the present conference authorise Japan to take part in the debates of the conference as a full member' was defeated. 'Japanese Participation in International Affairs', Foreign Office brief, 2 September 1949, F13321/1056/23, FO 371/76216. The provisions in the Public Corporation Labour Restrictions Law, which made strikes illegal, was applied not only to civil servants but to all employed in public utilities and government enterprises. The Foreign Office regarded these policies as wrong in principle and unwise as a method of combating communism. 'Labour', Foreign Office brief, 2 September 1949, F13321/1056/23, FO 371/76216.

¹⁵³ 'Reparations and Level of Industry', Foreign Office brief, 2 September 1949, F13321/1056/23, FO 371/76216.

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concluded that if the British Commonwealth was tactfully approached by the United States, it would willingly consider American proposals for a treaty.¹⁵⁴ Four days later, the Secretary of State, Acheson, explained to Bevin that the United States government could not allow other powers to dictate the main principles of a treaty. Acheson favoured securing agreement with the British Commonwealth first, to avoid any procedural difficulties. It would not matter very much if the Soviets and Chinese refused to participate. But if the United States and British governments could not reach agreement on the basic principles, Acheson felt it would be preferable not to go forward with the idea of a treaty at all. Bevin thought the best way to make progress now would be for Britain to have further talks with the Commonwealth and obtain an agreed policy that would preclude the necessity of the United States needing a veto. Encouragingly, Acheson told Bevin that the United States government had now reached the conclusion that it was important to get on with a Peace Treaty for Japan and would let the Foreign Office know what its requirements were.¹⁵⁵

A smooth move towards a peace treaty for Japan soon hit trouble. The Australians objected to their exclusion from the talks between Britain and the United States and sent a formal protest to both the Truman and Attlee administrations. Attlee, infuriated, told Chifley that Bevin had been trying hard for the last two years to establish confidence between the American-Australian powers and this move had not helped.¹⁵⁶ Meanwhile, MacArthur poured scorn on Acheson's promise regarding an early peace treaty and doubted whether Washington meant business. He told Gascoigne that, in his opinion, it

¹⁵⁴ 'Japan', conversation between Denning and Butterworth on 9 September 1949, F14256/1072/61, FO 371/76032.

¹⁵⁵ 'Japan', record of a meeting held at the State Department, Washington, 13 September 1949, F14108/1021/23, FO 371/76212 and 'Peace Treaty for Japan', record of a meeting at the State Department, Washington, 17 September 1949, F14555/1021/23, FO 371/76212.

¹⁵⁶ Attlee to Chifley, letter, 26 September 1949, PREM 8/966.

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was no more than a 'smoke screen' to satisfy allied concerns.¹⁵⁷ There is no evidence to suggest that Acheson's remarks were other than genuine but MacArthur's comments undoubtedly sowed apprehension in Whitehall. Still, at the Foreign Office, even Dening wondered whether it would be possible to ascertain a consensus from the Commonwealth, as well as France and the Netherlands, on what the United States considered the essential requirements of a treaty. With the CCP in power throughout China by late 1949, the British also found it difficult to accept American demands for a Chinese Nationalist delegation to attend a Japanese peace conference.¹⁵⁸

All these difficulties were overshadowed by a larger debate between the Pentagon and the State Department regarding the timing of a peace treaty that would not be resolved until September 1950. Although both sides were in general agreement before then on the necessity of Japanese rearmament and long-term American military air bases in Japan, they differed on how to maintain Japan firmly within the Western orbit. The Joint Chiefs of Staff argued that a peace treaty would be premature, as they could not be sure that the Japanese would remain democratic or fully committed to the anti-communist cause.¹⁵⁹

Acheson was prepared to retain American forces in Japan,¹⁶⁰ but in deference to the Joint Chiefs of Staff, he argued that post-occupation security would be assured by maintaining economic recovery, creating a central police force and possibly retaining a leased naval base at Yokusuka. Acheson warned that unless Japan was given its

¹⁵⁷ Gascoigne to Dening, letter, 19 September 1949, F14735/1021/23, FO 371/76213.

¹⁵⁸ Dening to MacDonald, letter, 1 October 1949, F14256/1072/61, FO 371/76032.

¹⁵⁹ The Chairman of the Joint Chiefs of Staff, General Omar Bradley, said Japan must be denied to the Soviet Union and its orientation maintained towards the West. The terms of the peace treaty should not preclude bilateral negotiations for base rights. Bradley memorandum for Vorhees, 12 October 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.885-886 and memorandum by JCS to Johnson, 22 December 1949, *ibid*, pp.922-923; Dower, *Japan in Peace and War*, p.181 and *idem*, 'Occupied Japan and the cold war in Asia', p.397.

¹⁶⁰ Acheson approved appropriation funds for base development at Okinawa and a naval facility at Yokusuka. He supported the resurfacing of Japanese airfields to make them suitable for jet fighters that were coming off American assembly lines. See Acheson to Marshall, 9 September 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.850-852; Blum, *Drawing the Line*, p.203 and Leffler, *A Preponderance of Power*, p.336.

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sovereignty and encouraged to trade with neighbours, it might prefer an accommodation with the communist system in Asia.¹⁶¹ Given the strong anti-communist Yoshida and his moves to undermine the left in Japan, these views, which the Foreign Office shared, seemed rather over-exaggerated.

Acheson told Franks privately in his home about his distress at not being able to deliver American requirements for a peace treaty to Bevin as promised in September. Acheson said he could not get clearance to tell Franks the exact nature of the roadblock. But Franks correctly guessed that the real trouble on the security clauses sprang from a dispute between Acheson and the military authorities in Washington.¹⁶² Acheson explained to the Joint Chiefs of Staff that they were destroying attempts to obtain British Commonwealth support for a unified policy. Acheson had promised Bevin that the United States would submit treaty terms that could be discussed at the Colombo conference at Ceylon due to take place in January 1950. Acheson complained he now had to break his pledge and could be charged with misleading vital allies.¹⁶³ Truman was inclined to agree with Acheson, and entrusted the latter implicitly with foreign policy, but Johnson had been a stalwart supporter of the President even when most people had written him off to retain a second term of the presidency. Truman was the only person who could resolve the dispute over the Japanese peace treaty but was unwilling to do so until the dust had settled over the issue of recognising communist China.¹⁶⁴ Henceforth, by the end of 1949, British policy was effectively marooned, unable to influence American strategy for Japan and in no position to consult with the Commonwealth because it lacked precise information on the direction of United States planning.

¹⁶¹ State Department comments on NSC 49 (June 15, 1949), 30 September 1949, *FRUS, 1949 (Part II), Vol. VII*, pp.871-873 and Schaller, *The American Occupation of Japan*, pp.166-167.

¹⁶² Franks to Foreign Office, telegram no.5740, 9 December 1949, F18486/1021/23, FO 371/76214.

¹⁶³ Schaller, *The American Occupation of Japan*, pp.174-177.

¹⁶⁴ Acheson, *Present at the Creation*, pp.135-138 and Lowe, *The Origins of the Korean War*, p.97.

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In conclusion, during the first four years of the occupation, the British did not play a major role in reconstructing Japan. American primacy meant that British policymakers had to secure their interests through Anglo-American contacts. The re-opening of trade to private traders and sterling area agreements were two such areas where this was achieved. Despite doubts on both sides of the Atlantic, it is evident that the United States was more willing to embrace Japan as an asset in the Cold War than Britain. The British only moved in this direction during 1949 and still challenged the fact that the Japanese had embraced democracy. This no doubt reflected, in part, the fears of the Pacific Dominions, who along with the British, deeply resented America's unilateral policy initiatives towards Japan. Meanwhile, the 'reverse course' policy proved to be a double-edged sword for the British. The British could not wholeheartedly endorse stifling restrictions on the Japanese economy for fear of precipitating a Japanese collapse. This could destabilise its imperial position in Southeast Asia and divert much needed American assistance from Europe to Japan. However, a prosperous Japan brought forth security concerns and the prospect of increased competition for British exporters. The British had to maintain a fine balance between the two extremes but found it difficult to influence American policy. Indeed, this struggle reflected Britain's diminished world power status and its dependency on the United States for economic help which the British were not prepared to jeopardise in arguments over Japan.

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THE EMERGENCE OF TWO KOREAS, 1948-1949

I. Introduction

Deprived of access to northern electric power, coal and minerals and with the economies of Japan and China in turmoil, South Korea could barely survive. Inflation, black markets and limited American aid also stifled economic reconstruction. In North Korea, the removal of assets as 'Japanese reparations' and looting by Red Army troops had left the region in economic distress as well.¹ Britain, however, seemed unwilling to grasp the global consequences if Korea turned communist, especially at Foreign Office middle echelon level. Top officials and major decision-making bodies, such as Chiefs of Staff, were preoccupied in Berlin, Malaya and Hong Kong. The British had aimed to relieve the strain on its resources by encouraging Commonwealth defence co-operation in Asia and placing confidence in an American lead for the region. Indeed, in the event of war, the British aimed to pull the majority of its forces out of Asia while concentrating on building up the Middle East as a strategic base. The British, without administrative or defensive responsibilities in Korea, left American officials in little doubt that Britain would be unable to help them in Korea and consultation remained minimal. Yet, both British and American analysts were agreed that the communist position in North Korea was strong and held out small hope for the continued existence of the South. That this imbalance could have wider implications for the Cold War, bolstering the CCP and thereby threatening Britain's imperial position in Southeast Asia, was rarely discussed by

¹ 'The New Government in South Korea: Its Form and Chances for Survival', State Department memorandum, 17 August 1948, RJCS: 1946-1953, MF 515, KCL.

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the British. The United States was more alert to possible Cold War repercussions but the Joint Chiefs of Staff were particularly reluctant to involve themselves in another disastrous Asian continental commitment after China. With pressing commitments elsewhere, the United States had already declared Korea's position untenable but they could not 'scuttle and run' without loss of prestige in Asia. The State Department attempted to solve the dilemma by referring Korea to the UN and sending military advisory groups and diplomatic missions to the South. But internal communist uprisings and border disputes in 1949 exposed South Korea's weakness. Despite the State Department's valiant attempt to retain troops in Korea, the Army remained determined to pull its forces out. As late as 1949, the British remained convinced that North Korea could overcome the South with little difficulty and British and American war plans continued to call for the immediate withdrawal of American forces from the province. With the 'loss' of China, the United States, unlike the British, were not prepared to completely write off Korea and worried that a Soviet absorption of Korea would strategically enhance its Cold War position *vis-à-vis* Japan, degrading American and UN prestige. Consequently, the United States attempted to build up the South Korean economy and its Army. However, America's indecisive approach to Korea was finally called into question in June 1950.

II. Korea, British Hot War Planning and the Defence of Eastern Asia

In January 1948, Bevin penned a depressing review of Soviet policy for his Cabinet colleagues. He explained that the Soviet Union had ruthlessly consolidated its position in Eastern Europe and still threatened to dominate Western Europe, North Africa, British oil reserves in the Persian Gulf and much of East Asia.² The evidence suggests that Britain was determined to halt communist expansion in Europe and the Middle East, in

² 'Review of Soviet policy', Bevin memorandum, CP(48)7, 5 January 1948, CAB 129/23.

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both political and military terms, though a defence commitment to Europe would only appear in 1949.³ The British Cold and Hot War commitment to East Asia, despite Bevin's concern, was less than clear. If war broke out during 1948, both British and American planners bleakly concluded that they would evacuate Western Europe, China, Korea, launch an atomic air offensive against the Soviets from the Middle East and build up forces for a new Overlord-type invasion of Europe.⁴ Bevin's anxieties and the inadequacy of Western military defences were heightened when, during February 1948, the communists usurped power by emergency measures in Czechoslovakia.⁵ At the same time, the Soviets, worried about a revived Germany allied to the West, blockaded the three Western-held sectors of Berlin in the summer of 1948.⁶ These actions wrongly convinced British and American policymakers that Stalin actively sought to extend his hold over the whole Eurasian land mass.⁷ It led many within Britain and the United

³ Kent, *British Imperial Strategy*, chp.6.

⁴ In the long-term, the United States desired holding air bases in Europe and the Japanese Islands rather than the Middle East. For the moment, the onset of the Berlin crisis focused British and American planners once more upon Egypt as a forward base. 'United States: Weekly Political Summary No.7: The Strategic Aspects of American Foreign Policy', Inverchapel to Foreign Office, telegram no.192, 21 May 1948, AN2076/6/45, FO 371/68014; Dockrill, *British Defence since 1945*, p.32; Ross, *American War Plans*, p.80; Danchev, "In the back room", pp.223, 225; Leffler, *A Preponderance of Power*, p.225; Aldrich and Zametica, 'The rise and decline of a strategic concept', pp.254-255; Kent, *British Imperial Strategy*, pp.165, 169 and Bullock, *Ernest Bevin*, p.524.

⁵ See Karel Kaplan, *The Short March: The Communist Takeover in Czechoslovakia, 1945-8* (London, 1987); Martin Myant, *Socialism and Democracy in Czechoslovakia* (Cambridge, 1981); Dockrill, *British Defence since 1945*, p.32; Mastny, *The Cold War*, p.58; Reynolds, *Britannia Overruled*, p.176 and Young, *Britain and the World*, p.148. For Britain's attitude to the crisis see Rundall, minute, 24 February 1948, AN667/6/45, FO 371/68013B; Peter Hennessy, *Never Again: Britain, 1945-51* (London, 1992), p.252 and Bullock, *Ernest Bevin*, pp.552-556. Stalin's action in Czechoslovakia was plausibly, if wrongly, regarded abroad as the first part of a programmed westward expansion of his empire rather than the last act of its Sovietisation. See Mastny, *The Cold War*, p.43.

⁶ The dispute over Berlin resulted in British and American moves to develop a West German state after the failure of the meeting of Foreign Ministers at the end of 1947 and the Soviet refusal to accommodate a new currency. For a good study of the Berlin blockade see Avi Shlaim, *The United States and the Berlin Blockade, 1948-1949: A Study in Crisis Decision-Making* (London, 1983), pp.33-34, 83. See also Zubok and Pleshakov, *Inside the Kremlin's Cold War*, pp.52-53.

⁷ 'The Threat to Western Civilisation', Bevin memorandum, CP(48)72, 3 March 1948, CAB 129/25. For Stalin's motivations in Berlin see Leffler, *A Preponderance of Power*, p.204 and Gaddis, *We Now Know*, p.46.

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States to finally confirm their wartime ally as a potential military enemy, while removing the last Congressional objections to the Marshall Plan and forcing the Anglo-American powers to reconsider the defence of Western Europe.⁸

In the Asia-Pacific, British planning revolved around maintaining its imperial position through upholding the integrity of Malaya, as it had done during the inter-war period. Faced with increasing communist terrorism throughout Malaya, the British declared a state of emergency in June 1948, promptly despatching troop reinforcements. Malaya was a valuable asset for Britain, producing net dollar earnings in 1948 of \$170 million while providing over half of America's imports of rubber and nearly all its imports of tin.⁹ The Czechoslovakian, Berlin and Malayan crises compelled Bevin to argue, in the face of objections from Attlee and the new Chancellor of the Exchequer, Sir Stafford Cripps, that immediate measures were needed to divert resources to the British military. Bevin pointed out, and the Defence Committee agreed, that if through military weakness, Britain was forced to give way in Germany or Malaya, the resulting economic loss would be far greater than the cost of bringing the armed forces up to an effective state.¹⁰ Although British planning had hitherto been based on the premise that war before 1951-1952 could be discounted, examination showed that Britain was not in a position to

⁸ *ibid.*, pp.47-48; Reynolds, *Britannia Overruled*, p.176; Young, *Britain and the World*, p.148; Rundall, minute, 24 February 1948, AN667/6/45, FO 371/68013B; Hennessy, *Never Again*, p.252 and Bullock, *Ernest Bevin*, pp.552-556. In February 1948, an Information Research Department was established as 'a dedicated unit to prepare briefing material on communist policy, tactics and propaganda', for internal and external consumption in the struggle for 'men's minds'. See 'Future Foreign Publicity Policy', Bevin memorandum, CP(48)8, 4 January 1948, CAB 129/23. See also Paul Lashmar and James Oliver, *Britain's Secret Propaganda War* (Stroud, 1998); Hugh Wilford, 'The Information Research Department: Britain's Secret Cold War Weapon Revealed', *Review of International Studies*, Vol.24 No.3 (July 1993), pp.353-369; W.Scott Lucas and C.Morris, "A Very British Crusade": The Information Research Department and the Beginning of the Cold War' in Aldrich(ed.), *Strategy, Intelligence and the Cold War*, pp.85-110 and Wesley Wark, 'Coming in from the Cold: British Propaganda and the Red Army Defectors, 1945-52', *The International History Review*, Vol.9, No.1(February 1987), pp.48-72.

⁹ Reynolds, *Britannia Overruled*, p.188.

¹⁰ Bevin, minute, DO(48)16, 13 August 1948, CAB 131/5 and Bullock, *Ernest Bevin*, p.523. See also DO minutes, DO(48)16, 13 August 1948, CAB 131/5 and Montgomery, minute, DO(48)16, 13 August 1948, CAB 131/5.

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fight with what it had got.¹¹ Korea was not discussed at Defence Committee meetings indicating the low priority it held within British governmental circles. Despite the turmoil inside Korea and the growing strength of communism in Northeast Asia, the omission suggests that the British believed the region could have little impact on the present Cold War and was strategically redundant in any Hot War.

The Defence Committee, dismissing an immediate Soviet military threat, had ordered the armed services to reduce their requirements to £600 million and 650,000 personnel per year by 1949 which would substantially curtail long term military plans to build up British forces.¹² These shortfalls suggested to Anglo-American planners that if war did break out, they would still have to concede Western Europe, the Persian Gulf and withdraw all forces from Korea, China and Southeast Asia, except Malaya. In response, the United States would launch an atomic bomb offensive from protected bases in the America, Britain, Okinawa and the Suez area while defending Japan by guarding the Bering Sea-Japan-Yellow Sea line.¹³ Confident in maintaining the American atomic monopoly at least until 1954,¹⁴ the Chiefs of Staff, the JIC, American policymakers and intelligence analysts all agreed that although Soviet armies had the capability to overrun much of Western Europe, Stalin would want to avoid a military clash with the West. They highlighted the Kremlin's economic weakness, transportation bottlenecks,

¹¹ The British government also continued to accept proposals that reduced Britain's armed strength from 937,000 men to 713,00 by 31 March 1949. The British Ambassador in Washington noted that cuts in the Royal Navy had caused the Americans to reflect on Britain's standing. See 'United States: Weekly Political Summary No.7: The Strategic Aspects of American Foreign Policy', Inverchapel to Foreign Office, telegram no.192, 21 May 1948, AN2076/6/45, FO 371/68014; Alexander, minute, CM(48)1, 6 January 1948, CAB 128/12; Cabinet minutes, CM(48)1, 6 January 1948, *ibid.* Tedder, minute, DO(48)16, 13 August 1948, CAB 131/5 and 'The Defence Position', Alexander memorandum, DO(48)46, July 1948, CAB 131/6.

¹² These long-term plans would amount to well over £1,200 million per year, a figure that the British economy could not support. *ibid.*, p.162.

¹³ Aldrich and Zametica, 'The rise and decline of a strategic concept', p.254 and Ross, *American War Plans*, pp.86-87, 92.

¹⁴ This was the British JIC estimate. See 'Soviet Intentions and Capabilities 1949 and 1956/57', JIC(48)104(Final), 8 November 1948, CAB 158/4.

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vulnerable petroleum industry and unreliable allies.¹⁵ These facts led British planners to believe that the Soviets were unlikely to embrace an aggressive communist operation in Korea. According to the Foreign Office, local sources of fuel, food and munitions which had to be imported from west of Lake Baikal, would not permit prolonged warfare on the Soviet East Asian Front.¹⁶ Indeed, Stalin had no intention of starting a war over the crisis in Berlin which forced him to concede defeat in 1949, when the West successfully implemented an airlift.¹⁷ Of course, the West had shown a concerted resolve in Europe and the Middle East to block communist expansion. The same could not be said about the British and Americans in China and Korea. But a British analysis of a possible communist attack in an area where the Western Powers were at their weakest was not drawn up.

Anglo-American Hot War planning for East Asia was often seen in defensive terms, an adjunct to the more important areas of Europe and the Middle East. If war broke out, the British hoped that the Pacific Dominions would form an integral part of Commonwealth defence co-operation. In May 1948, the Australians suggested taking responsibility for an area stretching from Malaya to the Pacific waters surrounding New Zealand. Although the Chiefs of Staff considered a major military threat to the Commonwealth in Asia to be remote,¹⁸ the British had hoped that the Australasian powers, by undertaking matters relating to regional security in the Pacific, would also

¹⁵ On the whole British intelligence on Soviet capabilities remained inadequate. For example, details on the strength and ability of the Soviet Air Force were uncovered mainly from German rather than Soviet sources. 'Soviet Intentions and Capabilities 1949 and 1956/57', JIC(48)104(Final), 8 November 1948, CAB 158/4; Montgomery, minute, confidential annex to COS(48)94, 7 July 1948, DEFE 4/14; 'Defence Review', COS memorandum, DO(48)61, 14 September 1948, CAB 131/6; Leffler, *A Preponderance of Power*, p.210 and Ross, *American War Plans*, p.151.

¹⁶ 'Communism in Korea', Milward memorandum, 7 June 1948, F12188/511/81, FO 371/69945.

¹⁷ Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.52.

¹⁸ 'Defence Review', COS memorandum, DO(48)61, 14 September 1948, CAB 131/6.

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commit resources to the Middle East.¹⁹ The possibility that instability in Korea could ignite a major war does not appear in any British military thinking. The Australians were slightly more cautious, recounting their experiences of 1942-1943, and stated that its main contribution would be directed towards *either* the Middle East *or* the Asia-Pacific. Attlee had already informed Chifley, that if British forces were engaged elsewhere, there was little likelihood of a large British contribution to Asia.²⁰ In an effort to cajole the Australians to send troops to the Middle East, the Chiefs of Staff pointed out that, in war, the Pacific would be an American area of responsibility and that any campaign was likely to be directed by the United States from bases in Japan and the Ryukyus.²¹

Encouraged by the Australian initiative, the Commissioner-General in Southeast Asia, Malcolm MacDonald, thought that the British could employ Australian troops in the Malayan jungle to combat the communist guerrillas.²² The employment of Australian troops in Malaya was a controversial decision, but the Chiefs of Staff eventually felt that it was necessary to allocate strategic responsibility for Malaya, the Netherlands East Indies and Borneo to Australia.²³ British military officials argued that in a future war, Britain would be unable to send sufficient troops to Asia to safeguard its interests. Even circumstances short of world war might give rise to a situation in which Britain would

¹⁹ See Chifley to Attlee, letter, 24 May 1948 in 'Australia: Defence Co-operation', COS(48)126(0), 14 June 1948, DEFE 5/11 and Hack, 'Southeast Asia and British Strategy, 1944-51', p.315.

²⁰ 'The Strategical Position of Australia', Australian COS appreciation, September 1947 in 'Australia: Defence Co-operation', COS(48)126(0), 14 June 1948, DEFE 5/11. See also 'Australia - Defence Co-operation', JP(48)79(Final), 7 July 1948, DEFE 4/4. The Australians had also been willing to provide technicians for Malaya. See COS minutes, COS(48)115, 18 August 1948. See also Ovendale, *The English-Speaking Alliance*, pp.119-121

²¹ The Chiefs of Staff also thought that the United States might want to use Hong Kong and bases in the southern half of the Pacific or the Philippines. 'Comments by British Chiefs of Staff of the Military Aspects of Mr.Chifley's Letter', Annex II to 'Australian Defence Co-operation', JP(48)81(Final), 11 September 1948, DEFE 4/16.

²² BDCC, Far East, special meeting, 20 August 1948, 25/9/20, Malcolm MacDonald papers, DUL.

²³ Eddleston, minute, COS(48)150, 22 October 1948, DEFE 4/17; Parker, minute, COS(48)150, 22 October 1948, DEFE 4/17 and 'Australian Defence Co-operation', JP(48)114(Final), 3 November 1948, DEFE 4/17.

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welcome the assistance of Australian forces. The British command in Southeast Asia would be retained in peace and war for the local defence of territories.²⁴ Colonial and Foreign Office officials were unable to accept many of these suggestions, realising the implications for Britain's imperial position in Asia.²⁵ Dening could not contemplate allotting areas of strategic responsibility to Australia without seeking the consent of the territories concerned. He was sure that neither the Dutch nor New Zealanders would concur in the allotment of prime responsibility for the areas proposed by the Chiefs of Staff to Australia. If it was known that in a future war Britain would surrender its position to Australia, Dening declared that British imperial influence would finally be extinguished in Asia. Dening concluded the discussion by recognising the fact that British resources were limited in the event of war but in the immediate future he asserted that the threat to Asia was mainly political.²⁶

Ultimately, the Chiefs of Staff argued that Australia's security depended on Anglo-American containment. Yet, as the British struggled to maintain their imperial presence in Malaya and the Americans appeared to be retreating in China and Korea, the Australians hedged, particularly as the ability of the Anglo-American powers to execute their war plans were frustrated by continued defence budgeting. Truman's 1949 decision to put a \$15 billion ceiling on defence spending for the fiscal year 1950, led defence officials to complain that America could not retain troops in Korea, meet emergencies in Greece and Italy, and provide forces for the Middle East or carry on the Berlin airlift.²⁷

²⁴ Templer, minute, COS(48)150, 22 October 1948, DEFE 4/17; Fraser, minute, DO(48)22, 24 November 1948, CAB 131/5 and 'Australian Defence Co-operation', JP(48)114(Final), 3 November 1948, DEFE 4/17.

²⁵ Paskin, minute, COS(48)150, 22 October 1948, DEFE 4/17. The Colonial Office also worried about the commitments the British had made to the Malay rulers. See 'Australian Defence Co-operation', JP(48)114(Final), 3 November 1948, DEFE 4/17.

²⁶ Dening, minute, COS(48)150, 22 October 1948, DEFE 4/17 and Murfett, *In Jeopardy*, pp.76-79.

²⁷ Leffler, *A Preponderance of Power*, p.263.

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The Middle East, along with the defence of the United Kingdom and sea communications, formed a vital pillar of British strategy. Although the United States Air Force and Navy were interested in using the Middle East as an offensive base, the Joint Chiefs of Staff would tell the British in 1949 that they could expect no assistance in this region until at least two years after the outbreak of global war.²⁸ These strategic and financial constraints, drove American planners to increase their reliance upon atomic weapons.²⁹

Despite close collaboration in the field of intelligence, in an air of uncertainty about American intentions and increasing Soviet-Western hostility, even the British Cabinet considered that defence estimates for 1949-1950 should total £760 million although Cripps had been unwilling to make more than £700m available.³⁰ Furthermore, the reduction in military personnel would only gradually be reduced from 793,000 in 1949 to 750,000 in 1950. The reintroduction of conscription in 1946 eased the burden on Britain's heavy overseas responsibilities somewhat but was not popular while men lacked the skills necessary for highly technical arms.³¹ What all this meant for East Asia was that the Anglo-American powers would concentrate on its strategic defence. Evacuating China and Korea, American forces would require over 4 divisions, 9 anti-aircraft battalions, and 5 fighter groups to defend Japan, the Ryukyu, Okinawa, the Philippines and Formosa.³² The British aimed to pull most of its forces out of Asia. At the outbreak

²⁸ Dockrill, *British Defence since 1945*, p.31 and Kent, *British Imperial Strategy*, chp.6.

²⁹ Ross, *American War Plans*, p.108. The British JIC also felt confident in America's atomic superiority. See 'Possibility of War Before the End of 1956', JIC(48)121(Revised Final), 27 January 1949, DEFE 4/19.

³⁰ See Cabinet minutes, CM(49)6, 24 January 1949, CAB 128/15.

³¹ Dockrill, *British Defence since 1945*, p.37. 'Statement on Defence 1949', Alexander Note, CP(49)21, 8 February 1949, CAB 129/32, Part II. The Cabinet approved the draft White Paper on the above lines annexed to CP(49)51. See Cabinet minutes, CM(49)11, 10 February 1949, CAB128/15 and 'Defence Estimates, 1949-50', Alexander memorandum, CP(49)16, 20 January 1949, CAB 129/32 Part I.

³² Ross, *American War Plans*, pp.114, 126, 129.

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of war, it was planned to leave a Ghurka division in Malaya but the British Far Eastern fleet would withdraw and the British brigade group would move to the Middle East between D+3 to D+6 months. The Joint Planning Staff were happy to let an American Supreme Commander conduct the war in the Pacific. The British Defence Co-ordinating Committee, Far East, (BDCC, Far East) would conduct the defence of British territories in Southeast Asia from Singapore, at least in the early stages of war.³³ Such a retreat was justified by the Chiefs of Staff because they argued that as long as the United States retained the control of sea communications in the Pacific, there could be no direct threat to the main support areas of Australasia, Malaya and the East Indies.³⁴ The Chiefs of Staff did not consider the possibility of war breaking out in East Asia first and the other fronts remaining stable. Once again the importance of China and Korea, even in a Hot War, was dismissed.

East Asia would remain a tertiary theatre with the formation of the North Atlantic Treaty Organisation (NATO) in April 1949, which witnessed a gradual reorientation of British strategy away from the Middle East as the centre of all war planning. Despite initial British objections, planning now focused on the United States concept of holding a foothold in Europe to avoid another Overlord-type operation.³⁵ NATO and the Berlin blockade had demonstrated that military deterrence made sense when dealing with the Soviet Union. By the autumn of 1949, with British resources stretched to the limit, the devaluation of the pound and the successful testing of a Soviet atomic bomb, the United

³³ 'Guidance to Commanders-in-Chief Committee, Far East', JP(48)125(Final), 5 January 1949, DEFE 4/19. Even in peacetime, the Royal Navy was only operating with one submarine in the Asia-Pacific region. See Murfett, *In Jeopardy*, p.73.

³⁴ 'General Strategic Implications of the Situation in China as Foreshadowed in the Foreign Office Appreciation', COS memorandum, COS(49)29, 20 January 1949, DEFE 5/13. See also Hack, 'Southeast Asia and British Strategy, 1944-51', p.316; Aldrich, "The Value of Residual Empire", p.231 and Ovendale, *The English-Speaking Alliance*, pp.121-122.

³⁵ Dockrill, *British Defence since 1945*, p.33; Young, *Britain and the World*, p.156; Acheson, *Present at the Creation*, pp.276-284; Kent, *British Imperial Strategy*, pp.204-205; Gaddis, *The Long Peace*, p.63 and Bullock, *Ernest Bevin*, pp.614-625, 632-633, 642-646, 655-682.

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States redoubled its focus on Western Europe. The development of American aircraft with longer range, permitted the strategic air offensive to operate from bases in Britain, Alaska and Okinawa rather than the vulnerable Middle East.³⁶ There was still no evidence, however, that Stalin was preparing immediate plans for war.³⁷ Both the British and the Americans, therefore, sought ways to reduce spending.³⁸ The Chiefs of Staff commissioned a report by an inter-service working party, under the chairmanship of a civil servant, Sir Edmund Harwood, on the size and shape of the armed forces that would limit expenditure to no more than £700m annually.³⁹ This limit, argued the report, meant a greater reliance on the United States military and more responsibility for Commonwealth countries in global defence. The report asserted that in peace and war, Commonwealth forces should assume naval responsibility for the Indian Ocean and South Pacific areas with the appointment of an Australian naval commander-in-chief at Singapore. To maintain imperial interests, a small component of the Royal Navy would stay in Chinese waters under British command at Hong Kong. The British would abandon the Trincomalee naval base along with the Singapore ^{base}, except for such facilities as the Australian Navy might need.⁴⁰

³⁶ Aldrich and Zametica, 'The rise and decline of a strategic concept', pp.259, 262-263; Hack, 'Southeast Asia and British Strategy, 1944-51', p.316; Murfett, *In Jeopardy*, pp.96-97; Ritchie Ovendale, *English Speaking Alliance*, pp.119-121; Reynolds, *Britannia Overruled*, p.179 and Acheson, *Present at the Creation*, pp.322-329.

³⁷ According to Mastny, the Soviet military response to NATO was moderate rather than alarmist. A 20 per cent increase in defence spending, mainly calculated for public effect and a bolstering of the troops in eastern Germany. Soviet spies also provided accurate information on the defensive nature of Anglo-American war plans. See Mastny, *The Cold War*, p.74 and Leffler, *A Preponderance of Power*, pp.306-7, 327.

³⁸ As late as October 1949, the NSC determined that the Defence Department could, under a \$13 billion ceiling, maintain substantially the same degree of military strength, readiness and posture during fiscal 1951, as in fiscal 1950. Pollard, 'The national security state reconsidered', p.218.

³⁹ For a fuller analysis of the so-called Harwood report see, for example, Barnett, *The Last Victory*, pp.88-97 and Murfett, *In Jeopardy*, pp.86-90.

⁴⁰ 'Responsibility of Commonwealth Countries in the Far East', JP(49)36(0)(T of R), 7 April 1949, DEFE 6/8. The report proposed retaining a presence in Chinese and Japanese waters 2 cruisers and 4 minesweepers based at Hong Kong. This was probably designed to 'show the flag' along the China coast and help in the occupation of Japan. See Murfett, *In Jeopardy*, pp.87-88.

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The Joint Planning Staff, in conjunction with the Colonial and Foreign Office, analysed these considerations with care. In the event of war, Soviet naval forces in Asia and the Pacific, the Joint Planners argued, would mainly operate in waters which were a United States responsibility. Indeed, the British did create an area of responsibility, comprising Malaya, Indonesia, Australia, New Zealand, the Southeast Indian Ocean and the Southwest Pacific, known as the ANZAM Area. Planning would be carried out through the Australian Chiefs of Staff in conjunction with the representatives from Britain and New Zealand Chiefs of Staff.⁴¹ Australia's main task included the protection of sea communications while the control of planning for the defence of Malaya would remain a British responsibility.⁴² However, the Joint Planners pointed out that the political difficulties in peacetime for the working party's reductions would prove harder to overcome. Britain had special responsibilities towards its Asian colonial territories, which it could hardly surrender to any other power, even if it was a fellow member of the Commonwealth.⁴³ Britain was not about to relinquish its imperial position in Asia. Consequently, the Chiefs of Staff and Attlee told Chifley, in response to the latter's proposal for an Australian zone of strategic responsibility, that they had no intention of handing over to Australia, military control or influence in any territory for which the

⁴¹ 'Allied High Command in War - ANZAM Area', JP(49)101(Final), 7 September 1949, DEFE 4/27. See also 'Proposals for the Setting up of Joint Australian, New Zealand and United Kingdom Service Planning Machinery for Co-ordinating the Defence of Australia, New Zealand and the Territories in Southeast Asia where the United Kingdom has Responsibilities', JP(49)159(Final), 22 December 1949, DEFE 4/28 and 'Allied High Command in War - Anzam Area', JP(49)160(Final), 22 December 1949, DEFE 4/28.

⁴² Cole, minute, COS(49)139, 21 September 1949, DEFE 4/24; COS minutes to COS(49)139, 21 September 1949, DEFE 4/24 and 'Anzam Area Boundaries', JP(49)102(Final), 8 September 1949, DEFE 4/24. Indeed, the Cs-in-C, Far East, the Chiefs of Staff and the Colonial Office all agreed that the defence of Malaya should be treated in the same manner as that of home territories and that it should remain a British responsibility but with Australian and New Zealand representation at Singapore. See COS minutes to COS(49)183, 9 December 1949, DEFE 4/27. The Americans also agreed to the ANZAM boundary on a planning level. See COS minutes to Confidential Annex to COS(49)160, 28 October 1949, DEFE 4/25.

⁴³ 'Responsibility of Commonwealth Countries in the Far East', JP(49)36(0)(Final), 13 May 1949, DEFE 6/8. See also 'Report of the Inter-Service Working Party on Shape and Size of the Armed Forces', COS(49)113, 30 March 1949, DEFE 5/13.

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British were responsible.⁴⁴ Although the British were showing a determination to maintain their imperial interest in Southeast Asia, even in the face of economic difficulties, their ability to assess a communist threat to their position from East Asia was rather less formidable.

III. A Cold War Concern? The Anglo-American Appraisal of Korea

It was clear that in a global Hot War both British and American planners did not see Korea as defensible. During the Cold War, the American position in East Asia also remained precarious. The Truman administration had expended some \$1.5 billion on China and had little to show for it.⁴⁵ By the opening months of 1948, a major question for the American Far Eastern Sub-Committee of the State-Army-Air Force Co-ordinating Committee (SANACC) was whether a South Korean state could politically, economically and militarily sustain itself in the face of a strongly supported Soviet northern state. South Korea was basically an agricultural area and did not have the overall economic resources to sustain its economy without external assistance. It had an estimated annual trade deficit of \$100 million and there was no prospect of balancing trade without unification. There had not been sufficient imports of rehabilitation items to enable South Korea's industry to function at more than 20 per cent of capacity. SANACC recommended that the United States should establish a strong economy in order to foster political and economic stability by furnishing minimum requirements of food, fertiliser, petroleum and other supplies. SANACC made it clear, however, that no commitments would be made concerning the extension of American economic aid after

⁴⁴ Attlee to Chifley, letter, 29 December 1949, CAB 21/2537. See also 'Responsibility of Commonwealth Countries in the Far East', JP(49)36(0)(Final), 13 May 1949, DEFE 6/8. See also 'Report of the Inter-Service Working Party on Shape and Size of the Armed Forces', COS(49)113, 30 March 1949, DEFE 5/13.

⁴⁵ 'United States: Weekly Political Summary No.7: The Strategic Aspects of American Foreign Policy', Inverchapel to Foreign Office, telegram no.192, 21 May 1948, AN2076/6/45, FO 371/68014. See also chp.III and VI.

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December 1948.⁴⁶ In addition, the Joint Chiefs of Staff deemed that Korea possessed little strategic interest for America and would divert sorely needed manpower from other areas.⁴⁷

In Cold War terms, although the Truman administration declared that America's position in Korea was untenable, they recognised that they could not "scuttle and run" without considerable loss of prestige and political standing in Japan, Asia and the world at large. SWNCC, therefore, desperately tried to find a solution to the mess which it found itself in that would enable the United States to withdraw from Korea as soon as possible with the minimum of bad effects. As chapter two has shown, the answer to this quandary lay in forwarding the Korean question to the UN. Despite the setting up of UNTCOK, SANACC anticipated that American policy would be confronted with a number of difficulties. The overriding problem was the likelihood that the Soviet Union would not agree to the holding of elections in its zone of occupation. If this happened SANACC hoped UNTCOK would proceed with zonal elections in the South only.⁴⁸ Predictably, the Soviet Union and its allies voiced their categorical opposition to the setting up of the functions of UNTCOK.⁴⁹

From early 1948, British ~~Cold War~~ planning still envisaged Asia as a secondary front. British assessments were consistent in stressing that Soviet Russia would absorb Korea for the purpose of extending its own Pacific seaboard. The British considered that unless America greatly increased its military strength in South Korea, or trained and equipped

⁴⁶ 'United States Policy in Korea', note by Secretaries to JCS, JCS 1483/49, 15 January 1948, RJCS: 1946-1953, MF 51, KCL.

⁴⁷ 'United States Policy in Korea', report by the JSSC to the JCS, JCS 1483/50, 30 January 1948, *ibid.*

⁴⁸ 'United States Policy in Korea', note by Secretaries to JCS, JCS 1483/49, 15 January 1948, *ibid.*

⁴⁹ For a lucid analysis of the UN, see Evan Luard, *A History of the United Nations, Vol.I: The Years of Western Domination, 1945-1955* (London, 1982), pp.232-236. See also Leon Gordenker, *The United Nations and the Peaceful Unification of Korea: The Politics of Field Operations, 1947-1950* (Hague, 1957).

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the South, which was unlikely, the Soviets would force their puppets into power.⁵⁰

Kermode warned his colleagues at the Foreign Office in 1948, that it was not in Moscow's character to be content with a humble 'third of the loaf' when it could within a very brief time 'grab and swallow the whole'. Kermode gloomily concluded that:

I believe that there is no sadder man in Korea today than General Hodge. When first he arrived he had high hopes of creating a free Korea that would stand as a bulwark between the red destroyer and MacArthur's Japan. Little by little his hopes have faded till now he is left with nothing but the knowledge that Korea is doomed to return to captivity and that the new captivity will be worse than any that she has previously endured.⁵¹

British intelligence bolstered Kermode's grim analysis by illuminating the strength from which North Korea was operating. A military intelligence report explained that unlike China, Soviet military aid was direct and this established North Korea as a thorough communist area from which communist agents, inspired by the Soviets, penetrated almost at will into South Korea. The penetrations were in addition to the activities of communist cells in South Korea, and were so organised as to be training tests for Soviet agents. This training provided skilled agents for future infiltration into Japan and China.⁵²

Despite these assessments, there was no mention of the fact that a communist absorption of Korea could provoke a major conflict. There was also little discussion about the impact of such an outcome on the Cold War. It appeared that the British had effectively written-off Korea and were prepared to accept it. A reluctance to discuss the

⁵⁰ 'Political Developments in Korea: Period 15th August, 1945, to 15th March, 1948', Kermode to Bevin, despatch no.33, 16 March 1948, F990/511/81, FO 371/69940.

⁵¹ Kermode to Bevin, despatch no.27, 12 February 1948, F3983/511/81, FO 371/69940. The Soviets had stipulated that North and South Korea should be represented in equal proportions and not in the proportion suggested by "an appropriate number of seats" being left vacant. Nevertheless, given their general hostility, the Soviets were scarcely likely to encourage North Korean participation as a minority in a national government, and still less so, if the latter were efficient. See Scott, minute, 13 February 1948, F2280/511/81, FO 371/69937.

⁵² See 'MI2(b) Contribution to Monthly Summary of Communist Activities, January 1948', MI2 Report, no date, WO 208/4829.

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long-term implications of a communist-dominated Korea upon Asia was unfortunate, considering the disturbing intelligence material the British received. During the spring of 1948 the British obtained an illuminating intelligence report on North Korea from a Chinese source which the Directorate of Military Intelligence considered very useful.⁵³ The report argued that Soviet assistance to the CCP in the Northeastern Provinces had been conclusively proven through the revelation of the Sino-Soviet-Korean Joint Military Council now existing in the North Korean capital, Pyongyang. More positive than any other communist liaison body ever formed, the Joint Military Council was in charge of co-ordinating the activities of the three commands, including the transfer of troops and logistic support. An estimated 30-40,000 Korean troops had been sent into the Northeastern Provinces at the behest of the Joint Military Council. CCP troops wounded in battles in the northeast were known to have been brought into northern Korea for hospitalisation. The report claimed that the Soviet-trained 'People's Army' in North Korea was not only capable of defending the communist state in the North but also strong enough to undertake an invasion of South Korea, if American forces left without arming South Korea. The best estimate placed the total armed strength of North Korea at no less than 250,000 men which included the troops sent to China. The 'People's Army' was sufficiently equipped to fight an offensive battle with the backbone of the senior staff composed of seasoned and experienced officers who had seen years of combat with the CCP and the Red Army.⁵⁴

⁵³ An official at the Directorate of Military Intelligence wrote that: 'This report is a most useful one. If it was complete and one was more certain of the source it would be of considerable value. For a report of Chinese origin...this seems to be unusually objective and lacks the customary exaggeration'. Hamilton, minute, 11 May 1948, WO 208/4753.

⁵⁴ 'Soviet Assistance to Communist Forces in Manchuria and North Korea: China/Korea, Military', MI2 Report, 1 April 1948, WO 208/4753. Cumings states that British intelligence showed a good awareness of the realities of Northeast Asian power relationships in the late 1940s and a reasonably full knowledge of the Korean contribution to the Chinese civil war. See also Cumings, *The Origins of the Korean War, Vol. II*, pp.355-369.

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This material appears to have been incorporated into a Foreign Office paper produced in the summer of 1948 on Stalin's aims in Korea. That this information might indicate a threat to Britain's position in Southeast Asia, through the apparent strengthening of the communist position in East Asia, was not discussed. The paper proclaimed that the ulterior aims of the Soviet government in Korea appeared to be several. The addition of another state to the Soviet hegemony was in itself probably one of the least of these. Of more importance, argued the Foreign Office, was the provision of a safe rear-area for CCP troop movements, with inviolable lines of communication for troops and supplies. The establishment of a Korean bastion, politically and militarily impregnable, would guard the flank of a communist advance through China. The Foreign Office suggested that Korea might, at a later date, serve as a base for a further attack against Japan, co-ordinated with thrusts from Sakhalin and the Kuriles.⁵⁵ In the short term, according to Whitehall, Britain's imperial position in Southeast Asia appeared to be safe.

The evidence indicates that Stalin aimed to secure his Northeast Asian periphery first.⁵⁶ As an integral part of these plans, Kim Il-sung had been nurtured during the war as an almost legendary guerrilla hero. After the war he materialised as a hard-headed communist General, chairman of the Central People's Committee and dictator of a revolutionary but repressive state.⁵⁷ Kim was an intense nationalist with a strong desire to reunify his country and was often envisaged in the West as one of Stalin's puppets.

⁵⁵ 'Communism in Korea', Milward memorandum, 7 June 1948, F12188/511/81, FO 371/69945. For a good discussion about the Korean communists who had operated as guerrillas against the Japanese from Chinese and Soviet bases see R. Scalapino and Chong-sik Lee, *Communism in Korea* (Berkeley, 1972) and Dae-sook Suh, *The Korean Communist Movement, 1918-1948* (Princeton, 1967).

⁵⁶ Youngho Kim, 'The Origins of the Korean War: Civil War or Stalin's Rollback?', *Diplomacy & Statecraft*, Vol.10 No.1 (March 1999), pp.188, 192-193.

⁵⁷ Kim's early career was not notable but it is accepted that he took part in guerrilla operations against the Japanese in the 1930s. For an interesting biography on Kim see Dae-sook Suh, *Kim Il Sung: The North Korean Leader* (New York, 1988).

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The Foreign Office and the British Press, for example, believed that Stalin, when he withdrew his forces in September 1948, was seemingly trusting North Korea to rule the land in the interests of the Soviet Union without direct Soviet interference.⁵⁸ United States officials held substantially the same views, viewing Kim as 'completely subservient and loyal to the Soviet Union'.⁵⁹ It appears that these observations were over-exaggerated and evidence over the last ten years has shown that Kim, like Rhee, used the occupying superpower to fulfil his own personal ambitions for unification and waited for the day when he could dispense with their services. Moreover, economic and military aid from the Soviet Union was not as extensive as the West thought.⁶⁰

In short, during 1948, the British continued to be far more prepared to write Korea off than the United States. The former did not consider that Korea, whether in the communist or Western democratic camp, would hold any obvious Cold War advantages. British intelligence bodies, for example, were quick to point out that Korea was doomed and dismissed the wider long term Cold War implications on Britain's imperial position in Southeast Asia.⁶¹ The American assessment of Korea was no less defeatist but they realised that its Cold War position in East Asia was rapidly deteriorating. The dilemma for the Truman administration was that it needed to avoid damaging its international standing but was reluctant to get involved in another Asian civil war on the mainland. The United States therefore set about trying to devise solutions to avoid suffering a 'defeat' at the hands of communism in East Asia.

⁵⁸ 'Communism in Korea', Milward memorandum, 7 June 1948, F12188/511/81, FO 371/69945; Scott, minute, 17 June 1948, F8292/511/81, FO 371/69942; 'The Threat to Western Civilisation', Bevin memorandum, CP(48)72, 3 March 1948, CAB 129/25 and 'On Guard in South Korea', *The Times*, 27 October 1948.

⁵⁹ Drumright to Marshall, 16 February 1948, *FRUS*, 1948, Vol. VI, pp.1162-1163.

⁶⁰ See Cumings, *The Origins of the Korean War*, Vol. II, pp.365, 445-448 and Weathersby, 'Soviet Aims'.

⁶¹ 'MI2(b) Contribution to Summary of Communist Activities, June 1948', MI2 Report, 1 July 1948, WO 208/4829 and 'Soviet Interests, Intentions and Capabilities', JIC(48)9(0)Final, 23 July 1948, DEFE 4/5.

IV. The Creation of a South Korean State

A. THE UNITED NATIONS IN KOREA

The most immediate problem for the United States was overseeing the success of UNTCOK, which comprised members from India, Canada, Australia, France, China, El Salvador, the Philippines and Syria. UNTCOK, chaired by the Indian diplomat, Kumara Menon, faced an almost impossible task. The Soviet authorities refused UNTCOK entry into the North, Korean leftists were antagonistic while the South Korean Labour Party organised strikes in February-March 1948. The South Korean rightists wanted to create a UN-sponsored state for themselves and the United States sought immediate extrication. When the United States secured sanction in the UN, through the Interim Committee, for elections in South Korea alone, many countries questioned the policy being pursued, including the British Commonwealth countries of Australia, India and Canada.⁶² Upset by these reactions, the United States political adviser in Korea, Joseph Jacobs, complained that Australia, Canada and India had begun to form a 'British bloc' or 'anti-American bloc'. Jacobs considered that the Australian delegate, S.Jackson, was definitely anti-American and had clearly come to Korea with the idea of 'showing us up'.⁶³ Meanwhile, in early January 1948, the Canadian Prime Minister, Mackenzie King, professed an extreme distrust of American policy. King, noted Lester Pearson, the Canadian under-secretary for Foreign Affairs, had just returned from Britain apparently

⁶² Jacobs to Marshall, 2 February 1948, *FRUS, 1948, Vol.VI*, pp.1089-1091. The leftists launched a series of strikes in protest against UNTCOK's presence in Korea, involving violence and sabotage. Its intention was to display the strength of popular opinion against UNTCOK and frighten it into abandonment of its task. Its practical effect was to convince at least some of the delegates that it would be naïve to expect that North Korean leaders would be allowed to negotiate with the South on a reasonable basis. 'Political Developments in Korea: Period 15th August, to 15th March 148', Kermode to Bevin, telegram no.33, 16 March 1948, F4990/511/81, FO 371/69940; Luard, *A History of the United Nations, Vol.I*, p.235; Farrar-Hockley, *The British Part in the Korean War, Vol.I*, p.16 and Millett, 'Understanding Is Better Than Remembering'.

⁶³ Jacobs felt that Jackson's attitude had derived from the small role given to Australia by America in the occupation of Japan. Jacobs to Marshall, 12 February 1948, *ibid.*, pp.1105-1109.

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greatly influenced by the gloomy description of the present situation which Bevin had given him.⁶⁴ The Canadian Prime Minister consequently told Truman that he was not going to allow Canada to be used for enforcing one-sided American solutions 'merely to be cuffed over the head by the Russians'.⁶⁵ Only pressure from the Americans, reinforced by an intense anti-Soviet atmosphere created by the Czechoslovakian crisis, persuaded most to support the United States policy.⁶⁶ This episode openly revealed that the UN had become a tool in Cold War politics rather than an independent agency dedicated to conflict resolution.⁶⁷

At this stage, the Foreign Office took a somewhat calmer view of the heated proceedings at the UN and of the events in Korea.⁶⁸ Foreign Office officials felt that as American and Soviet aims in Korea were irreconcilable and since the Soviet position in Korea was by far the stronger, the Americans would sooner or later have to give way. They argued that the reference of the Korean problem to the UN helped the Americans in two ways. Firstly, the break was now likely to come over what were, on paper: 'fair, reasonable and workmanlike proposals'. Secondly, the activities of UNTCOK would serve as a 'smoke screen', obscuring the main contestants and providing a cover for the

⁶⁴ See 'Canada's Decision to Withdraw from UN Korean Commission', Lovett memorandum, 3 January 1948, *ibid.*, pp.1079-1081.

⁶⁵ UK High Commissioner (Canada) to CRO, telegram no.45, 16 January 1948, F1373/1373/81, FO 371/69954.

⁶⁶ America's handling of Korea produced a Cabinet crisis in Canada and was only averted after President Truman had made a direct appeal to the Canadian Cabinet. See Truman to MacKenzie King, 5 January 1948, *FRUS, 1948, Vol.VI*, pp.1081-1083. See also John Munro and Alex Inglis(eds.), *The Right Honourable Lester B.Pearson: Memoirs 1948-1957, Vol.II: The International Years* (Toronto, 1973), pp.135-145. For Australian disagreement see Robert O'Neill, *Australia in the Korean War, Vol.I: Strategy and Diplomacy* (Canberra, 1981), pp.7-8. See also Matray, *The Reluctant Crusade*, pp.135-146 and Lowe, *Containing the Cold War in East Asia*, p.176.

⁶⁷ See 'Withdrawal of U.S. Occupation Forces from Korea', Butterworth memorandum, 4 March 1948, *FRUS, 1948, Vol.VI*, pp.1137-1139. Nevertheless, a third of UN delegates abstained in the Interim Committee, a body in which Soviet-bloc representatives refused to participate. See Stueck, *The Korean War*, p.26 and Gordenker, *The United Nations and the Peaceful Unification of Korea*, chp.3.

⁶⁸ Scott, minute, 16 January 1948, F594/511/81, FO 371/69937; Kermode to Bevin, despatch no.20, 7 February 1948, F2918/511/81, FO 371/69939 and Kermode to Foreign Office, telegram no.13, 10 February 1948, F2191/511/81, FO 371/69937.

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eventual American withdrawal. The Foreign Office concluded that: 'It may or may not have been reprehensible for the Americans to use the UN for such purposes. But there is a difference between using the UN machinery to cover up one's failures and using it to "enforce" one's policies'. Yet, there could be no solution acceptable to both sides as long as the domination of the whole Korean peninsula remained the objective of Soviet policy, which British officials believed to be the case.⁶⁹

However, the Foreign Office was not about to whole-heartedly endorse American policy. Member countries of the British Commonwealth who were taking part in UNTCOK naturally influenced British decision-making, especially at a time when the Commonwealth was in a process of evolution.⁷⁰ The Foreign Office noted that: 'it is for us to decide whether we should support the interests of the UN or of the United States', and they noted that the views of Mackenzie King were not without relevance on this point.⁷¹ Indeed, although Jackson, the Australian representative in UNTCOK, had been considered objectionable by American officials, Kermode found him able, steady and responsible. According to Jackson, General MacArthur had told him to assist American aims and not to be pushed into an early return to New York with an admission of UNTCOK's failure.⁷² The UNTCOK representatives found nothing very appealing about the Rhee regime, but they received absolutely no co-operation from North Korea in the matter of general elections.⁷³ Henceforth, the British remained reluctant to

⁶⁹ Tomlinson, minute, 23 January 1948, F1373/1373/81, FO 371/69954. See also 'Korea', Japan and Pacific Department memorandum, 22 May 1947, F7634/54/81, FO 371/63835 and 'Soviet interests, Intentions and Capabilities', JIC(47)7/1. Final, 6 August 1947, CAB 158/1.

⁷⁰ 'Korea', MacDermot, minute, 18 February 1948, F2631/511/81, FO 371/69938.

⁷¹ Scott, minute, 11 February 1948, F2191/511/81, FO 371/69937. MacDermot also argued that a South Korean government would soon be overwhelmed and wondered whether such a debacle should be sponsored at birth by the UN. 'Korea', MacDermot, minute, 18 February 1948, F2631/511/81, FO 371/69938.

⁷² See Jacobs to Marshall, 12 February 1948, *FRUS, 1948, Vol. VI*, pp.1105-1109 and Foreign Office to New York, 13 February 1948, Lowe, *Containing the Cold War in East Asia*, pp.177-178.

⁷³ Millett, 'Understanding Is Better Than Remembering'.

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proceed with their policy on Korea until they had heard recommendations from the three Commonwealth members.⁷⁴ But as the United States was playing the hand on behalf of the democratic world in Korea and British policy remained one of steering clear of a major involvement in East Asia, the Foreign Office demurred from suggesting that Britain should adopt an independent line.⁷⁵

Nevertheless, the British still attempted to influence proceedings. The Foreign Office held that the integrity of the UN must be preserved as it would be foolish for the United States to treat the UN as a rubber stamp for decisions already taken in Washington.⁷⁶ The British government maintained that while separate elections in the South might in the event turn out to be the only practicable course, it was desirable, if only for the record, that the Interim Committee should consider carefully and sympathetically any possible suggestions that UNTCOK made to unify the North and South.⁷⁷ Kermode had expressed concern that: 'the prestige of the United Nations may suffer unless it can show that the Russian attitude has made the Korean desire incapable of fulfilment'. He hoped that recent communist demonstrations against UNTCOK, the announced draft constitution on North Korean radio for a 'Democratic People's Republic of Korea' with its capital in Pyongyang and the Soviet refusal to receive the Commission in the northern zone, could help to establish this argument.⁷⁸

⁷⁴ 'Korea', MacDermot, minute, 18 February 1948, F2631/511/81, FO 371/69938. The Kashmir dispute between India and Pakistan, for example, meant that Britain could not dismiss out of hand proposals tabled by Menon. See Lowe, *Containing the Cold War in East Asia*, p.177.

⁷⁵ Tomlinson, minute, 11 February 1948, F2191/511/81, FO 371/69937 and Scott, minute, 13 February 1948, F2280/511/81, FO 371/69937.

⁷⁶ New York to Foreign Office, 11 February 1948, Lowe, *The Origins of the Korean War*, p.51.

⁷⁷ 'Korea', MacDermot, minute, 18 February 1948, F2631/511/81, FO 371/69938.

⁷⁸ Kermode to Foreign Office, telegram no.13, 10 February 1948, F2191/511/81, FO 371/69937; Kermode to Bevin, despatch no.29, 19 February 1948, F3986/29/81, FO 371/69936; 'Political Developments in Korea: Period 15th August, 1945, to 15 March, 1948', Kermode to Bevin, despatch no.33, 16 March 1948, F4990/511/81, FO 371/69940 and 'Korea', MacDermot, minute, 18 February 1948, F2631/511/81, FO 371/69938.

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B. KOREAN POLITICS

Meanwhile, Korean political figures began to prepare for the elections due in May 1948. The most prominent figure was Syngman Rhee, whose political background was discussed in chapter two. The British Consul-General at Seoul explained that both the Americans and the Korean police had built him into ^avirtual Korean St. George who had come to 'slay the dragon of communism'. But, as Kermode pointed out to the Foreign Office, Rhee could not resist the temptation to use power for purely personal ends. With the police behind him, Rhee formed 'youth' organisations which joined the police in intimidating the public into nominal support of Rhee.⁷⁹ The Consul-General had stated unequivocally that Rhee would attempt to establish his position as leader of Korea by rigging the elections in the South and claiming the extension of its authority over the whole of Korea. His plan was so transparent that Kermode thought that: 'people can be forgiven for thinking him crazed'. Kermode believed that Rhee's meteoric rise had been helped by a misguided American policy and concluded that: 'It is certainly true that General Hodge has poked his fingers, often imprudently, into the Korean political pie. He talks much of democracy but he hates the left, regarding in common with many Americans, anyone left of centre as a blood relation to the communists'. Hodge had underestimated Rhee's ambitions but it took the American military government some time to discover that Rhee was to play nobody's hand but his own. By the time Hodge attempted to switch allegiance to the moderate Kim Kyu-Sik, it was too late.⁸⁰

⁷⁹ Kermode to Bevin, despatch no.20, 7 February 1948, F2918/511/81, FO 371/69939 and 'Political Developments in Korea: Period 15th August, 1945, to 15th March, 1948', Kermode to Bevin, despatch no.33, 16 March 1948, F4990/511/81, FO 371/69940; Cumings, *The Origins of the Korean War, Vol.II*, pp.185-236 and Millett, 'Understanding Is Better Than Remembering'.

⁸⁰ Gaddis, *We Now Know*, p.71 and Kermode to Bevin, despatch no.14, 17 January 1948, F2829/511/81, FO 371/69939. In fact, Hodge's relationship with Rhee became so strained that his position became untenable by May 1948 and Hodge formally resigned. 'Replacement of Lieutenant General Hodge', Butterworth memorandum, 11 May 1948, *FRUS, 1948, Vol.VI*, pp.1192-1193.

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As the South Koreans moved towards elections, the British Consulate at Seoul reported that considerable rightist pressure was supplied to reluctant voters to persuade them to register. Registration was presented as being no less sacred a duty than air raid precautions, and occasionally connected with the drawing of rations. The elections were actively opposed only by a small majority, and this was no doubt, one reason why right-wing pressure over voters registration did not prevent UNTCOK from declaring the atmosphere 'free'. A second reason was perhaps that some members of UNTCOK, being themselves citizens of Asia, were wisely aware of the degree of freedom it was realistic to expect in an oriental country recently emerged from autocratic alien rule. The third and most decisive reason was the violent and spectacular pressure over registration exerted by the communist minority. North Korean radio called on communists in the South to oppose the elections 'until death' and the latter attacked registration booths and election officials, besides indulging in general rioting and sabotage, particularly in the communist stronghold of Cheju Island. Already nearly 200 people had died from these attacks.⁸¹

Opposition to the elections was not confined to the communists. There were in South Korea considerable numbers of people who followed Kim Koo and Kim Kyu-Sik in arguing that the holding of elections and subsequent national government of South Korea alone would provoke a similar action in the North and thus perpetuate the arbitrary division of the country and ensure that it was eventually torn apart by civil war. A British official at the Consulate-General office in Seoul wrote that:

⁸¹ On Cheju Island, always a hotbed of revolt, the communists started a guerrilla war in April 1948, hoping to capitalise on the popular resentment toward a repressive and corrupt governor and the incompetence and indiscipline of the island's Korean national police. After six months of vicious and inept rural warfare, neither side could claim much advantage. Crowther to Bevin, despatch no.43, 29 April 1948, F7341/511/81, FO 371/69941. See also Gordenker, *The United Nations and the Peaceful Unification of Korea*, chp.4 and Millett, 'Understanding Is Better Than Remembering'.

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What is difficult to guess, in the light of one's knowledge of Soviet behaviour throughout the world, is how the two Kims think that the fate of Korea can be altered. Personally, I believe they are potential martyrs to reason which refuses to admit the fantastic partition of an ancient and homogeneous country along a mere parallel of latitude, and to patriotism which refuses to admit the callous use of one country, no matter how weak and backward, as a mere plaything in the games of another (or rather "others" as it seems to them); this is admirable but it is not realistic.⁸²

Henceforth, no broad-based 'united front' between the northern and southern political groups emerged. Kim Koo and Kim Kyu-Sik had arrived in Pyongyang during April 1948 for the North-South Conference but there was no evidence to suggest that the Kims were a party to the resulting documents, which claimed all foreign troops should withdraw, letting the Koreans fight for the realisation of a unified sovereign democratic independent country.⁸³ The Kims failure to participate in the South Korean elections, enabled Rhee and his allies to win comfortably and the Republic of Korea was established in July 1948 with Rhee at the helm.⁸⁴ With 90 per cent of ^{the} electorate in South Korea voting for a 'democratic government', General Hodge told the first British Minister in Seoul, Captain Vyvyan Holt, that the elections of 17 May 1948 had put the Soviets 'right back on their heels'. The outcome was a national assembly, principally conservative in character, ultra-nationalist and largely right-wing.⁸⁵

⁸² Crowther to Bevin, despatch no.43, 29 April 1948, F7341/511/81, FO 371/69941.

⁸³ See Jacobs to Marshall, 29 March 1948, *FRUS, 1948, Vol.VI*, pp.1162-1163. For a balanced analysis of the Pyongyang Conference see John Merrill, *Korea: The Peninsular Origins of the War* (London, 1989), pp.70-72. The two Kims were also not favourably impressed with the régime in the north. Crowther to Foreign Office, telegram no.40, 8 May 1948, F6718/511/81, FO 371/69941.

⁸⁴ Initially, Rhee's Rapid Realisation Society had even furnished 39 more candidates than there were seats in the 200-seat assembly. For the relevant British despatches see Crowther to Bevin, despatch no.43, 29 April 1948, F7341/511/81, FO 371/69941; Crowther to Foreign Office, telegram no.40, 8 May 1948, F6718/511/81, FO 371/69941 and Scott, minute, 10 May 1948, F6718/511/81, FO 371/69941. See also Cumings, *The Origins of the Korean War, Vol.III*, pp.379-407.

⁸⁵ Holt to Foreign Office, telegram no.46, 25 May 1948, F 7485/511/81, FO 371/69941.

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C. BRITAIN, THE UNITED STATES AND THE DIVISION OF KOREA

On the whole, the British remained in the dark about American policy objectives for Korea, while British sources on the province were few and far between.⁸⁶ A clearer picture of American intentions finally began to emerge for the British in early June 1948. The Foreign Office had received a telegram given 'diplomatic secret' distribution covering draft State Department policy. It appeared that the United States would recognise the Korean national government, established as a result of the South Korean elections. A diplomatic mission and American advisers would also be attached to the government. Finally, the head of the new Korean government would be advised to request the United States authorities to withdraw their occupation troops at a slow rate in order to give General Hodge time to train and equip a Korean gendarmerie of militia. Upon reading these proposals, the Foreign Office considered them 'remarkably unrealistic'. They deemed that the Soviets were in a far stronger position, with a contiguous land frontier along their zone of occupation and the possession of a formidable North Korean Army. The Foreign Office thought that leaving behind sufficient hostages in the way of advisers and military missions to induce Soviet fears that an overt act of encroachment on their part would be regarded as a *casus belli*, was surely playing a risky game. They saw the present proposals as nothing more than part of a face-saving process, and argued that the British and the Dominions needed to consider what their attitude would be regarding American plans for recognition of the new state.⁸⁷

Despite this criticism, the British for their part did not produce any alternative proposals.

⁸⁶ For example, Lieutenant-Colonel Grazebrook, the GSO(I) at General Headquarters, Far East Land Forces, complained to the British Director of Military Intelligence, that his only information on Korea came from Kermode which took weeks to reach Singapore. Apart from Kermode, Grazebrook reluctantly admitted that he had to rely upon the Press for much of his information. Grazebrook to Tarver, letter, 1 April 1948, WO 208/4833.

⁸⁷ Tomlinson, minute, 3 June 1948, F7836/511/81, FO 371/69941 and MacDermot, minute, 4 June 1948, F7836/511/81, FO 371/69941. For the actual United States policy document see 'United States Policy in Korea', note by Schulgen, Lawrence, Field, Gardiner, SANACC 176/39, 22 March 1948, RJCS: 1946-1953, MF 51, KCL. For Joint Chiefs of Staff approval see 'The

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Instead, on 22 June 1948, the Foreign Office duly sent a concerned telegram to Sir Oliver Franks at the British Embassy in Washington, disturbed to learn that the United States was considering recognising the new South Korean government as the government of all Korea. The Foreign Office considered that such a course of action could not be justified either by the terms of the UN resolutions on Korea or by the general principles that govern the recognition of new States. The terms of the Interim Committee resolution of February 1948 contemplated the emergence of a government in that part of Korea in which elections were possible. The Foreign Office stated that the legitimacy of this government derived from the elections and it would be wrong to recognise it as sovereign in territory where it could have no claim to be representative. According to the Foreign Office, it also appeared unlikely that Australia, Canada and India, who were represented on UNTCOK, would regard the government resulting from the elections held in South Korea, as having any valid claim to sovereignty beyond that area. The Foreign Office hoped that it would be possible to obtain a resolution in the UN which might lead to recognition of a government that limited its claims to South Korea. The Foreign Office recognised that any claim by the Seoul government to be sovereign in all Korea would certainly be followed by a similar claim by the northern administration and its recognition by the Slav bloc.⁸⁸

Two days later, the British Embassy at Washington expressed these concerns to Walton Butterworth at the State Department. Butterworth stated that the Department's plan had not been finally approved and he would, of course, consult Britain first before a final decision was made. According to Franks, Butterworth made great play with the point that the UN resolution specifically referred to the establishment of a national

Position of the United States with respect to Korea', note by secretaries to JCS, JCS 1483/54, 9 April 1948, *ibid.*

⁸⁸ Foreign Office to Washington, telegram no.6718, 22 June 1948, F7836/511/81, FO 371/69941.

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government, that the people were encouraged to elect representatives to a national assembly, and that two-thirds of the Korean people were able to take part in the elections. In Butterworth's opinion, the new government needed, and needed badly, an immediate mark of confidence. For the members of the UN not to give it support by some measure of recognition seemed to him to be an evasion of parental responsibility. The British Embassy had pressed Butterworth to say what kind of recognition he had in mind since the administration could not possibly be, *de facto*, the government of all Korea. Butterworth said that, whilst not admitting that it could be recognised as a *de facto* national government, he would favour recognising it as the government that had come into being in contemplation of the UN resolution. Aware that the Soviets were planning similar moves in the North, Butterworth exclaimed that: 'We must get our shot in first'.⁸⁹

The British did not need much convincing that early recognition of the Seoul government 'in some form or another' would be correct and expedient. But the Foreign Office still thought that an act of recognition that took no cognisance of the obvious fact of the division of Korea would be both foolish and improper.⁹⁰ The Foreign Office was still prepared, provided that the report of UNTCOK was satisfactory, to give recognition to the Seoul government at the appropriate time, as long as it did not claim sovereignty over the whole of Korea.⁹¹ Australia and New Zealand had also expressed agreement with the line Britain had taken.⁹² In fact, the Australians told the United States government on 14 July 1949, that it would not recognise the South Korean government as the government of the whole of Korea.⁹³ These differences in attitude between the

⁸⁹ Franks to Foreign Office, telegram no.3076, 24 June 1948, F8868/511/81, FO 371/69942.

⁹⁰ Tomlinson, minute, 28 June 1948, F8868/511/81, FO 371/69942.

⁹¹ Foreign Office to Washington, telegram no.7215, 3 July 1948, F8868/511/81, FO 371/69942.

⁹² Foreign Office to Washington, telegram no.7216, 3 July 1948, F8868/511/81, FO 371/69942. See also memorandum handed to Dickover, Counsellor of United States Embassy, by the Foreign Office, 14 July 1948, F9509/511/81, FO 371/69942.

⁹³ Nielson to Marshall, 14 July 1948, *FRUS, 1948, Vol VI*, pp.1241-1242.

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British Commonwealth and the United States were due to the fact that the former had no administrative or defence responsibility for Korea. The Truman administration was desperately trying to extricate itself from a corrupt and economically devastated South Korea. However, in the context of the Cold War, the United States wanted to leave South Korea without damaging its international standing, especially as the majority of the South Korean people detested communism.⁹⁴

Ignoring the concerns of the British Commonwealth, in July 1948, during his opening speech to the national assembly, Rhee claimed that the assembly was the sole representative body of the Korean people and that the government to which it would give birth would be the sovereign independent government of the entire nation. Referring to the United States, Rhee hoped that the Korean government would request the Americans to let them retain some advisers and technicians. More importantly, Rhee pressed the United States government to maintain American forces until national security forces had been organised.⁹⁵ In the same month, after a North Korean constitution had been approved, Kim Il-sung addressed a conference of the North Korean People's Council, alleging that the South Korean state was phoney and full of traitors and reactionary rightists. Kim deplored the division of Korea, which he claimed was attributable to the machinations of the Americans.⁹⁶ In response, Kim ordered a 'national' general election on 25 August 1948. Figures released from Pyongyang suggested that 99.7% of the electorate had voted to elect 212 members to a People's Assembly. There is no evidence to substantiate these figures and Kim's claim that the

⁹⁴ 'Korea: Annual Review for 1949', Holt to Bevin, telegram no.5, 30 January 1950, FK 1011/1, FO 371/84053 and Farrar-Hockley, *The British Part in the Korean War, Vol.I*, p.22.

⁹⁵ 'Opening Session of National Assembly of Korea', Holt to Bevin, letter, 6 July 1948, F9317/511/81, FO 371/69942.

⁹⁶ Holt to MacDermot, letter, 15 July 1948, F10201/29/81, FO 371/69936. According to the Foreign Office, the North Korean constitution revealed the incorporation of familiar features of the Soviet constitution and there was also evidence of the Meiji constitution in Japan having been consulted. See Lowe, *Containing the Cold War in East Asia*, pp.178-179.

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People's Assembly represented the whole of Korea was also debateable on a population basis. The majority of the Korean people lived in the south, roughly 21 million as compared to 9 million in the North. Moreover, refugee movement continued from the north of Korea to the south.⁹⁷

Amidst the further division of Korea into two separate entities, the United States government told the British on 12 August 1948 that a statement was to be issued decreeing that the Seoul government: 'is entitled to be regarded as the government of Korea envisaged by the General Assembly resolutions'. In the British government's view, this sentence could be interpreted as according *de jure* recognition to the Seoul government and the Foreign Office refused to issue a similar statement.⁹⁸ Although the Foreign Office expressed sympathy with the American position and supported their decision to withdraw from Korea, the British wanted to wait for UN blessing on the validity of the elections. With the American position in China rapidly deteriorating, it is understandable, in the context of the Cold War, as to why the United States wanted to act quickly in South Korea. Political officials on the ground in Korea, for example, encouraged the Truman administration: 'to stand firm everywhere on the Soviet perimeter, including Korea'.⁹⁹ The British attitude over recognition of the South Korean state suggests that it did not see the urgency in Cold War terms.¹⁰⁰ Indeed, as the United States recognised the new government, it also arranged for the continuation of economic aid, including electric power from specially equipped naval vessels.¹⁰¹ Despite continued Army Department pressure for the withdrawal of United States troops, the State

⁹⁷ Farrar-Hockley, *The British Part in the Korean War*, Vol.I, p.20.

⁹⁸ Foreign Office to Washington, telegram no.626, 13 August 1948, F/511/81, FO 371/69944.

⁹⁹ Jacobs to Marshall, 12 August 1948, *ibid.*, p.1272

¹⁰⁰ Farrar-Hockley, *The British Part in the Korean War*, Vol.I, p.22.

¹⁰¹ Marshall to Certain Diplomatic and Consular Officers Abroad, 10 July 1948, *FRUS*, 1948, Vol.VI, pp.1235-1237; Truman to Marshall, 25 August 1948, *ibid.*, pp.1288-1289 and Saltzman to Praper, 24 April 1948, *ibid.*, pp.1181-1182.

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Department wanted to slow the procedure, to help expedite its programme for the training and equipping of South Korean security forces. They also had to have equipment, arms and ammunition for at least two years of normal operations. Accordingly, on 24 August, an interim agreement was signed.¹⁰² Furthermore, the State Department supported the most comprehensive of the economic assistance programmes that had been drawn up by the Office of Occupation Affairs in conjunction with the ECA.¹⁰³

When the UN General Assembly met in Paris during September to December 1948, the problem of recognition was finally addressed when the United States tabled a new resolution for the future of Korea. The United States wished to have it officially established that the new government was one to whom, in accordance with the original Assembly resolution, they could legitimately hand over all authority.¹⁰⁴ The British government still hoped to dissuade the Americans from submitting a controversial resolution of this kind but if the Americans pressed ahead, the Foreign Office proposed to support it, although making it clear that in their opinion, the government in South Korea was neither the *de jure* nor *de facto* government of all Korea.¹⁰⁵ In consequence, the British had moved somewhat from ~~their~~ original position. The reason for this change of ^{American} attitude lay in the altered interpretation which the legal adviser considered permissible,

¹⁰² 'Withdrawal of US Occupation Forces from Korea', Allison memorandum, 5 March 1948, *ibid.*, pp.1139-1141; Marshall to Certain Diplomatic and Consular Officers Abroad, 10 July 1948, *ibid.*, pp.1235-1237; Butterworth memorandum, 17 August 1948, pp.1276-1279 and Marshall to Royall, 17 September 1948, *ibid.*, pp.1302-1303.

¹⁰³ Marshall to Royall, 17 September 1948, *ibid.*, pp.1302-1303; 'Future Economic Assistance to Korea', Saltzman memorandum, 7 September 1948, *ibid.*, pp.1292-1298 and Hoffman to Marshall, 1 October 1948, *ibid.*, pp.1312-1313.

¹⁰⁴ Foreign Office to Washington, telegram no.9946, 4 September 1948, F12493/511/81, FO 371/69945.

¹⁰⁵ CRO to UK High Commissioner in Canada, Acting UK High Commissioner in Commonwealth of Australia, UK High Commissioner in New Zealand, UK High Commissioner in Union of South Africa, Acting UK High Commissioner in India, Acting UK High Commissioner in Pakistan and UK High Commissioner in Ceylon, telegram nos.944, 578, 355, 346, 2733, 1633, 463, 28 September 1948, F13376/511/81, FO 371/69946.

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British had
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as such with respect to those parts of Korea where the Commission was in a position to observe the elections.¹⁰⁶ due to the second clause 'and that it functions'. The Foreign Office considered this was acceptable, even though both Britain and the United States still differed in their attitude towards the South Korean government's claim to sovereignty in the North.¹⁰⁶ Under American pressure, the General Assembly of the UN did approve by 48 votes to 6 (the Soviet bloc) with 1 abstention, a resolution recognising South Korea which accepted the election results of May as legitimate.¹⁰⁷ The occupying powers would withdraw and a new group, the UN Commission on Korea (UNCOK) would replace UNTCOK in order to improve the prospects for unification.¹⁰⁸ The resolution was unclear as to whether the South Korean government was declared the government of the whole of Korea or not. The British supported the idea of UNCOK because they felt that the UN should have a continuing interest in the Korean situation.¹⁰⁹

The government in Seoul had now, in the opinion of UN members, been validated. The United States, which had already appointed a chargé d'affaires in Seoul, opened an Embassy there. America's special representative to South Korea, John Muccio, immediately endorsed Rhee's appeals for the retention of some American forces to help maintain the new government in its initial stages. On 18 September 1948, the Soviet Union had informed the United States that it was withdrawing all its troops from the North, the removal to be completed by December 1948. Despite the Soviet withdrawal,

¹⁰⁶ Cheke to Graves, letter, 28 September 1948, F12637/511/81, FO 371/69945. See also

¹⁰⁷ Farrar-Hockley, *The British Part in the Korean War*, Vol. I, pp. 23-24.

See Draft Resolution on Korea for the UN General Assembly, 8 November 1948, *FRUS*, 1948, Vol. VI, pp. 1321-1322. The former American political adviser to Korea, Jacobs, had confided in Denning that he thought the Australians would vote against the American resolution. Denning hinted that, if Dr. Evatt were allowed himself to move a resolution with which the American agreed, this might be the best way of enlisting his support. 'Korea', Denning, minute, 9 November 1948, F15883/511/81, FO 371/69947. The Americans eventually adopted this solution when an Australian-American draft resolution was tabled. Tomlinson, minute, 19 November 1948, F16750/511/81, FO 371/69948.

¹⁰⁸ Luard, *A History of the United Nations*, Vol. I, pp. 237-238.

¹⁰⁹ The resolution deemed that the Republic of Korea as 'having effective control and jurisdiction over that part of Korea where the Temporary Commission was able to observe and consult...and that this is the only such Government in Korea'. 'Korea', Denning, minute, 9 November 1948, F15883/511/81, FO 371/69947 and Farrar-Hockley, *The British Part in the Korean War*, Vol. I, p. 26.

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the State Department decided to agree to Rhee's requests and Marshall told the Chinese Foreign Minister that America would not withdraw if an attack from the North seemed likely. But, the United States had no formal commitment to defend Korea and the Pentagon was willing to write the peninsula off as a strategic asset. The State Department did appreciate this military logic but also recognised the potential Cold War implications of a complete withdrawal from Korea.¹¹⁰ By the end of 1948, the Asia experts in the State Department were insisting that the South Korean state must survive. The latter claimed that: 'Northeast Asia is one of four or five significant power centres in the world'. If the United States did not 'face up to the problems in Korea', Japan might slip into the Soviet orbit and the entire American position in the Pacific could be at risk. There is no evidence to indicate that the British were drawing similar conclusions. British thinking had come to accept the 'loss' of Korea and did not see any long term detrimental effects. Still, the conflicting views of the State Department and the Pentagon meant that the United States commitment was still less than clear.¹¹¹

V. The Great Powers and Two Koreas

Within the creation of the Republic of Korea, Kermode's successor as Consul-General, ^{the status of} ~~was~~ Captain Vyvyan Holt, was raised to Minister. Holt had pursued his career through the Army and Diplomatic Service. He possessed a wealth of Middle Eastern experience but no knowledge of East Asia. A man of great charm but tinged with an air of eccentricity, Holt was joined by Sydney Faithful, a career Foreign Service diplomat, who took up his post as Consul to South Korea.¹¹² In late October 1948, Holt reported that in Sunchon,

¹¹⁰ Muccio to Marshall, 12 November 1948, *FRUS, 1948, Vol. VI*, pp.1325-1327; Saltzman to Wedemeyer, 9 November 1948, *ibid*, p.1324; and Matray, *The Reluctant Crusade*, pp.151-174.

¹¹¹ Bishop to Butterworth, 17 December 1948, *FRUS, 1948, Vol. VI*, pp.1337-1340 and Leffler, *A Preponderance of Power*, p.253. Both Jacobs and Hodge recommended that until the UN General Assembly had considered the Korean problem, American troops should not withdraw. Hodge, in particular, did not want the United States to jeopardise the early stages of South Korean government. See Butterworth memorandum, 17 August 1948, *FRUS, 1948, Vol. VI*, pp.1321-1322.

¹¹² Hoare, *Embassies in the East*, pp.197-198.

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north of Seoul, communist rebels, junior officers and non-commissioned officers, within the XIV and XV regiment of constabulary, had butchered over 300 police and non-communist civilians before South Korean forces eventually pressed the communist guerrillas back to the Yosu peninsula. Everywhere the rebels went they put up the flag of North Korea and displayed communist slogans. All the available evidence pointed to a carefully planned communist uprising.¹¹³ The Yosu revolt, as the Foreign Office correctly predicted, persuaded the Seoul government to retain American troops in November 1948.¹¹⁴ But the result in its national assembly was not a foregone conclusion. Only 103 of 198 members were present in the assembly, and of these, 16 abstained on grounds of principle. As in 1945, most Koreans still wanted to be rid of foreign control and influence, yet, it was the Seoul government which recognised the superiority in numbers, training and weapons of the North Korean forces.¹¹⁵

Various attempts by Americans to strengthen Rhee's position in the South were often deliberately misinterpreted by the latter for his own advantage. According to the local Press, Rhee, on his return to Korea from Japan during October 1948, claimed General MacArthur had said to him that: 'I will do anything I can to help the Korean peoples and to protect them. I will protect them as I would protect the United States and California against aggression'. Concerned, Sir Alvary Gascoigne asked MacArthur whether he had in mind any new policy for Korea. MacArthur replied that he had authorised this statement but that it should have been made in conjunction with a further explanation to the effect that he would defend Korea in his present capacity as commander of United States forces in the Pacific.¹¹⁶ MacArthur had already told General Gairdner that: 'if

¹¹³ Holt to Foreign Office, telegram no.83, 26 October 1948, F14961/511/81, FO 371/69947 and Millett, 'Understanding Is Better Than Remembering'.

¹¹⁴ Scott, minute, 27 October 1948, F14961/511/81, FO 371/69947.

¹¹⁵ Farrar-Hockley, *The British Part in the Korean War, Vol.I*, p.26.

¹¹⁶ Gascoigne to Foreign Office, telegram no.1249, 29 October 1948, F15227/511/81, FO 371/69947.

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Russia were to attack in Korea his plans were to get out General Hodge's army as quickly as he could'.¹¹⁷ The Foreign Office regarded this as a private conversation between soldiers and noted it as a much more authentic expression of MacArthur's real views. The Foreign Office concluded that: 'If this new statement was intended to frighten the Russians I doubt if it will have much effect'.¹¹⁸

From October 1948, George Blake and Norman Owen, members of SIS, began to operate from Seoul. Blake was the head of ^{the} Seoul SIS station and had instructions to build up an intelligence network inside the Soviet Northeast Asian Maritime Provinces, as Seoul was the nearest diplomatic post to the area. It is interesting to note that Blake's instructions were directed towards obtaining Soviet intelligence, not the collection of material on communists in China or North Korea. This reflected once again Britain's inability to identify emerging threats in East Asia. Still, Blake found his task impossible and he redirected his energies to cultivating Korean contacts should the communists occupy the whole peninsula.¹¹⁹ The assessments that Blake was sending to Whitehall must have been bleak. The JIC explained that it was only a matter of time before communism absorbed the whole of Korea.¹²⁰ The British were in no doubt that even a South Korean Army, whatever its numbered strength, could not hold out against a determined attack by the North Koreans, either by inspired risings in South Korea, or by invasion over the border. British perception of the Korean situation, therefore, remained

¹¹⁷ Gascoigne to Foreign Office, telegram no.516, 27 May 1948, F7609/1956/23, FO 371/69911.

¹¹⁸ Tomlinson, minute, 2 November 1948, F15227/511/81, FO 371/69947 and Tomlinson, minute, 31 May 1948, *ibid*.

¹¹⁹ Blake used the cover of a Vice-Consular post, developing links with various missionaries and issuing visas to Koreans. Hoare, *Embassies in the East*, pp.197-198 and Richard Aldrich, Gary Rawnsley and Ming-Yeh Rawnsley, 'Introduction: The Clandestine Cold War in East Asia, 1945-65' in *Special Issue: The Clandestine Cold War in Asia, 1945-65: Western Intelligence, Propaganda and Special Operations, Intelligence and National Security*, Vol.14 No.4 (Winter 1999), p.3.

¹²⁰ 'Communist Influence in the Far East', JIC(48)113(Final), 17 December 1948, CAB 158/5.

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fundamentally unaltered in 1949.¹²¹ Despite this analysis, there was still no concern that such an outcome might begin to erode the Anglo-American position in Asia. This mind-set was bolstered by the Foreign Office belief, held since late 1947, that Korea had already been written off in the highest of American strategic circles, and that the present American assistance programme was part of a delaying action, devised for face-saving purposes.¹²² Due to the lack of serious Anglo-American consultation on East Asian issues, it is not clear that the British were aware at this stage of the emerging resolve that the State Department was beginning to show towards Korea.

For its part, American intelligence was still turning out bleak assessments for the future of Korea. Intelligence estimated that North Korea's armed strength was capable of victory in a civil war and this would be enhanced if the Korean units of CCP forces returned home.¹²³ An American Air Intelligence report also indicated that an air regiment had been established in North Korea by early 1949. It was believed to be based at Pyongyang and to comprise 800 personnel, 36 Soviet trainers and obsolete Japanese planes. Koreans were sent across the border for training in the Soviet Union and this force eventually comprised 36 Yak-9s and 1,500 personnel.¹²⁴ In March 1949, Pyongyang and Moscow concluded an arms pact in which the latter committed itself to supply munitions to the North Korean Army.¹²⁵ The rapid collapse of the Nationalist Chinese armies also meant that Korean troops fighting in China were more likely to return sooner

¹²¹ Scarlett to Holt, letter, 28 February 1949, F3209/1015/81, FO 371/76258.

¹²² Scarlett to Holt, letter, 28 February 1949, *ibid.*

¹²³ Muccio to Marshall, 12 November 1948, *FRUS, 1948, Vol. VI*, pp.1321-1322 and Gaddis, *We Now Know*, p.71.

¹²⁴ 'Review of North Korean Air Power and its Potentialities', Air Intelligence Information Report, 28 February 1950, Lowe, *The Origins of the Korean War*, pp.61-62.

¹²⁵ See Merrill, *Korea*, pp.143-144; Stueck, *The Korean War*, p.29; Cumings, *The Origins of the Korean War, Vol. II*, pp.325-349 and Weathersby, 'Soviet Aims in Korea', p.21.

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than anticipated. Some units had already begun to return home in 1948 and were quickly incorporated into the North Korean Army.¹²⁶ The military balance was clear by 1949.

Such information led the CIA to report in 1949 that American troop withdrawal would probably result in a collapse of South Korea. The CIA, therefore, suggested that the continued presence of a moderate number of American forces in the area would discourage any invasion from the North while at the same time boosting morale in the South. But MacArthur, the Joint Chiefs of Staff and Johnson all advocated withdrawal, due to pressing commitments elsewhere and the conviction that Korea would not provide favourable terrain upon which to fight a war if war should come.¹²⁷ Despite the military disadvantages of maintaining a presence in Korea, the NSC realised that the extension of a Soviet-backed unified Korean state would enhance the political and strategic position of the Soviet Union in the Cold War with respect to Japan and adversely affect the international position of the United States. Complete American disengagement from the Korean peninsula, the NSC felt, could lead directly to that result and would be seen as betrayal by the United States of its friends and allies in Asia, possibly contributing to a fundamental realignment of forces in favour of the Soviet Union throughout Asia.¹²⁸

The solution for the NSC relied upon building up a 65,000 strong South Korean Army and 35,000 man police force. This would ensure that such forces were capable of serving effectively as a deterrent to external aggression and as a guarantor of internal order in South Korea. When MacArthur stated in March 1949, that the establishment of

¹²⁶ See Cumings, *The Origins of the Korean War, Vol.II*, pp.350-376 and Millett, 'Understanding Is Better Than Remembering'.

¹²⁷ Gaddis, *The Long Peace*, pp.95-96.

¹²⁸ Draft memorandum for the Secretary of Defence in 'The Position of the United States with Respect to Korea', report by the JSSC to the JCS, JCS 1483/63, 18 March 1949, RJCS: 1946-1953, MF 51, KCL. American officials on the ground reiterated the fact that South Korea could scarcely be made a viable economy unless determined efforts were made to rehabilitate key industries such as coal, power, textiles and fisheries. See Muccio to Secretary of State, 27 January 1949, *FRUS, Vol.VIII: The Far East and Australia, 1949* (Washington, 1976), pp.947-952.

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Korean security forces within the current programme ^{been} had₁ substantially completed, the NSC agreed to withdraw American troops from Korea by the end of June 1949.¹²⁹ Despite their desire to avoid direct military embroilment in South Korea, even American military officials would now endorse a State Department plan to provide^a a long-term programme of economic assistance to that country. They feared that total disengagement from Korea could undermine American credibility in East Asia and lead to a realignment in favour of ^{the} Soviet Union. Although they would not guarantee South Korean territory in case of local and global conflict, American diplomats constantly reassured Rhee that troop withdrawals reflected no lessening of their commitment. They were also firmly convinced that America's Cold War credibility and interests depended on bolstering the South Korean regime against its internal and external foes.¹³⁰

Despite troop withdrawal, the NSC's recommendations and the economic assistance plan, had undoubtedly bolstered Muccio, assigned as the first Ambassador to South Korea, and the latter assured Holt that the American government firmly intended to continue giving substantial military and financial aid to the Seoul government. Holt pointed out that the Americans were:

quite happy about the future, that discontent in the North is too strong for the government there to be able to undertake a properly organised invasion of the south and that the 100,000 armed troops and police in the south are well able to deal with any probable threat of aggression from the north of the 38th parallel or of communist uprisings in the south.

¹²⁹ 'The Position of the United States with Respect to Korea', report by NSC, NSC 8/1, 16 March 1949 in 'The Position of the United States with Respect to Korea', report by the JSSC to the JCS, JCS 1483/63, 18 March 1949, RJCS: 1946-1953, MF 51, KCL. Draft memorandum for the Secretary of Defence in 'The Position of the United States with Respect to Korea', report by the JSSC to the JCS, JCS 1483/63, 18 March 1949, *ibid*.

¹³⁰ Acheson, Rusk, Butterworth led efforts to elicit large-scale economic aid for Korea, totalling \$150 million for fiscal year 1950. Saltzman to Draper, 25 January 1949, *FRUS, 1949 (Part II), Vol VII*, pp.944-945; Acheson to Johnson, 10 May 1949, *ibid*, p.1016; Acheson to Embassy in Korea, 28 April 1949, *ibid*, pp.997-998; Gaddis, *The Long Peace*, p.96 and Matray, *Reluctant Crusade*, pp.175-199.

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Holt concluded that the Americans were evidently prepared to help on a very substantial scale, and were confident that it would be adequate.¹³¹ The Foreign Office was still not completely convinced and did not aim to modify its views, except to the extent of agreeing that the weight of evidence indicated that in a purely *Korean* struggle the South could now hold its own, *provided* the United States continues to supply a substantial quantity of material help.¹³²

When, in the summer of 1949, the Americans withdrew all its forces from Korea,¹³³ Rhee's initial reaction to this American policy decision was one of deep concern and the South Korean President pleaded for United States guarantees of defence and independence.¹³⁴ Such guarantees seemed unlikely. Tentative plans by the United States Army Department to introduce a military task force into Korea composed of American units and UN personnel to restore law and order along the 38th parallel, were immediately rejected by the Joint Chiefs of Staff which the latter feared could easily lead to a major military involvement.¹³⁵ By mid-1949, Rhee faced a significant rural ^{communist} partisan force in 5 of his 8 provinces. ^{by mid-1949} In contrast, North Korea appeared more stable than the South. Kim's leadership was still under threat but factionalism within the government did

¹³¹ Holt to Scarlett, letter, 27 April 1949, F7288/1015/81, FO 371/76258. The Chargé of the American Mission to Korea also reported that the Korean government was now settling down. Economic conditions were improving. The inflationary spiral had slowed, prices remained stable and currency circulation was declining while increased coal and power production was assured during the next few months. The grain collection programme had failed but food stocks were believed to be adequate for the immediate future. However, Drumright still pointed out that there remained weaknesses such as corruption and inefficiency. See Drumright to Acheson, 28 March 1949, *FRUS, 1949, Vol. VIII*, pp.979-980.

¹³² Tomlinson, minute, 23 May 1949, F7288/1015/81, FO 371/76258.

¹³³ 'The Position of the United States with Respect to Asia', report by NSC, NSC 48/1, 23 December 1949 in 'The Position of the United States with Respect to Asia', note by Secretaries to JCS, JCS 992/6, 27 December 1949, RJCS: 1946-1953, MF 56, KCL.

¹³⁴ Rhee had complained that as well as a standing army of 65,000 men, he wanted a reserve of 200,000 men fully equipped with American weapons. See Rhee to Muccio, 14 April 1949, *FRUS, 1949, Vol. VIII*, pp.990-991; Butterworth to Acheson, 18 April 1949, *ibid*, pp.992-993 and Muccio to Acheson, 6 May 1949, *ibid*, pp.1008-1009.

¹³⁵ 'Implications of a Possible Full-Scale Invasion from North Korea Subsequent to Withdrawal of United States Troops from South Korea', report by the JSSC to the JCS, JCS 1776/3, 13 June 1949, RJCS: 1946-1953, MF 51, KCL.

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not disrupt internal order. Rhee, on the other hand, was faced with economic crisis, corruption amongst his ministers and found himself in disputes with the national assembly. His autocratic rule and intractability, shown in his formation of a Cabinet that failed to represent various groups within the assembly, further undermined his position. Meanwhile, communist guerrilla attacks and unrest along the 38th parallel forced the UN to adopt another American-sponsored resolution which called on UNCOK to carefully monitor the border.¹³⁶

All these developments began to grab the attention of both Evatt and Bevin. The former now wanted American troops to remain in Korea and maintained this attitude right up to their withdrawal in June 1949. Meanwhile, Bevin, addressing the ships' company of *HMS Kenya* on the problems of resisting aggression, surprised them by remarking that he was 'very worried about the precarious situation in Korea...If you ask me where I think we might all be in for further trouble, I believe Korea is the place'.¹³⁷ Bevin's remarks seem to be at odds with his Asia experts in the Foreign Office and go back to his growing recognition of the global communist threat at the beginning of this chapter. It reinforces the view that middle echelon Foreign Office officials were prone to underestimate the communist threat in East Asia. However, Bevin could divert little attention to Korean affairs, preoccupied as he was with the Berlin crisis, the Middle East, Malaya and the construction of NATO.

Unbeknown to the British, Kim had been pressing Stalin throughout 1949 for permission to unify the country by force. Attempts to ignite a takeover in the South by

¹³⁶ The localities of Ongjin, Kaesong and Chunchon were the worst sufferers but from time to time there were raids further east. The attacks varied in strength from small skirmishes to planned operations by as many as 2,000 men. 'Korea: Annual Review for 1949', Holt to Bevin, telegram no.5, 30 January 1950, FK 1011/1, FO 371/84053. See also Joungwon Kim, *Divided Korea: The Politics of Development, 1945-1972* (Cambridge, MA, 1976); Farrar-Hockley, *The British Part in the Korean War, Vol.I*, p.30; Lowe, *Containing the Cold War in East Asia*, pp.179-180; Luard, *A History of the United Nations, Vol.I*, pp.237-238; Stueck, *The Korean War*, pp.27-28 and Millett, 'Undertsanding Is Better Than Remembering'.

¹³⁷ Farrar-Hockley, *The British Part in the Korean War, Vol.I*, p.29.

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guerrilla warfare had failed but Kim still hoped for a successful uprising once his troops had broken through the defences of the South. He claimed that a swift victory would ensue. Stalin, however, was concerned with the wider picture. As a communist victory in China appeared imminent, Stalin told Kim that: 'the Americans will never agree to be thrown out of [Korea and] lose their reputation as a great power'. Nevertheless, Stalin, realising that the United States was in retreat in China and Korea, did not dismiss the possibility and consulted Mao. The completion of American troop withdrawal from South Korea in June 1949 and victory of the CCP in October 1949, provided Kim with additional courage and a boost in morale.¹³⁸ Before Stalin would contemplate giving Kim a green light to invade South Korea, the Soviet leader wanted first to secure an alliance with Mao. This he hoped would result in a 'transnational network' embracing North Korea, Manchuria and the Soviet Northeast Asian Provinces. It would later transpire that the Sino-Soviet alliance of February 1950 made provisions that excluded Britain and the United States from Manchuria and Sinkiang. Stalin was animated by the need to secure an advantageous strategic environment before Kim embarked on an invasion of ^{the} South.¹³⁹

Stalin's attitude is highlighted when Kim launched several border attacks on the Ongjin peninsula, north of Seoul, in May and October 1949. Although Soviet advisers in Korea were involved in these operations, Stalin feared they would start a general war before his Northeast Asian consolidation had been completed. Stalin, therefore, immediately sent instructions to Ambassador Shitikov in Pyongyang during October to halt Kim's unauthorised attack.¹⁴⁰ By the end of 1949, the War Office was firmly convinced that the North Korean Army could advance into South Korea with little

¹³⁸ Weiqun Gu, *Conflicts of Divided Nations: The Cases of China and Korea* (London, 1995), p.136; Zubok and Pleshakov, *Inside the Kremlin's Cold War*, p.54 and Yahuda, *The International Politics of the Asia-Pacific, 1945-1995*, p.167.

¹³⁹ Kim, 'The Origins of the Korean War', p.201.

¹⁴⁰ *ibid.*, pp.188, 192-193, 196-197 and Millett, 'Understanding Is Better Than Remembering'.

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difficulty. A North Korean invasion was, however, considered unlikely in the immediate future. It was thought that the North Koreans would pursue: 'the well-tried tactics of preparing the country within rather than resort to open aggression'. If an invasion did occur, the War Office argued that the Americans were unlikely to become involved. The War Office concluded that: 'the possession of South Korea is not essential for allied strategic plans, and although it would be obviously desirable to deny it to the enemy, it could not be of sufficient importance to make it the cause of World War Three'.¹⁴¹

In conclusion, the War Office's final assessment for Korea before the outbreak of war in June 1950, seems, in retrospect, wildly inaccurate. What led the War Office to reach these conclusions? On the whole, British officials devoted little time to analysing the situation in Korea. The Chiefs of Staff, for example, absorbed in military matters for Europe, the Middle East and Southeast Asia, did not discuss Korea at all during 1948-1949 and this remained the case until the outbreak of the Korean War. There was also little that the British could do to change the situation. However, this lack of attention was a major reason behind Britain's inability to deal with the Korean situation. One could argue that Britain was not far-sighted and vigilant enough to understand that Korea could pose a serious threat to the Cold War balance of power. Indeed, it was not until Kim's invasion of South Korea in June 1950 that the British finally recognised that its outcome would affect imperial territories such as Hong Kong and Malaya, possessing wider implications for the Cold War.¹⁴² In Britain's defence, since 1945, there were no indications from American policymakers that the United States government treated Korea as a strategic priority. Still, the United States, unlike the British, did recognise the Cold War

¹⁴¹ Ferguson-Innes to Scott, letter, 30 December 1949, Lowe, *Containing the Cold War in East Asia*, p.181.

¹⁴² 'The situation in Korea', Minutes of a meeting of the Defence Committee of the Cabinet held in Attlee's Room at the House of Commons, 28 June 1950 in H.Yasamee and K.Hamilton(eds.), *DBPO, Series II, Vol.IV: Korea, 1950-1951* (London, 1991), pp.7-10.

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repercussions for the Western powers if they completely withdrew from Korea. It started a familiar pattern in Cold War politics where the sheer presence of one side meant that the other side had to be there too.¹⁴³

¹⁴³ Gaddis, *We Now Know*, p.71.

VI

VI

BRITAIN AND THE MOVE TOWARDS A COMMUNIST CHINA, 1948-1949

I. Introduction

By 1948, the Chinese Nationalists had effectively lost control of Manchuria. The British, however, still dismissed the possibility of a CCP-controlled China and a Cold War threat to its imperial position in Southeast Asia. The British hoped that the United States would continue to aid the Nationalists in order to stabilise central and southern China. But the scale of aid needed to ensure this stability did not arrive. In 1948, the American military had designated China as an extremely low priority while the State Department admitted it could no longer influence events on the ground. The latter informed the British that the diversion of resources to China could only be achieved at the expense of assistance to Europe. The Foreign Office realised that if the United States could not help the Nationalists, there was no one else who could. These facts, combined with the rapid advance of Mao's forces in China, belatedly saw British planners become increasingly concerned about communist infiltration into Hong Kong, Formosa and Southeast Asia. By 1949, as the British began to view events in East Asia in a Cold War context, large Chinese communities inside British territories and an American reluctance to defend merely more than a perimeter around China, exacerbated fears that the whole allied position on mainland Asia could turn 'red'. Inside China itself, the Cabinet, worried about the impact of the advance on the British trading community, prepared planning papers for a communist-dominated China. The British hoped that there would be an initial period of CCP tolerance towards foreign trading interests, as it sought to

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reconstruct China. There was also optimism that the British could encourage a split between Soviet and Chinese communism. Indeed, although Mao's world view moved closer to Stalin's during the 1940s, the former was not prepared to subsume his interests under the Soviet Union. But, equally, Mao feared Western attempts to undermine his revolution and was anxious to remove foreign influence from China. In an effort to maintain Britain's imperial interests in China and Hong Kong, the British government aimed to keep 'a foot in the door', by recommending early recognition of the CCP, the military reinforcement of Hong Kong, the abandonment of the Nationalist regime in Formosa and a refusal to accept American attempts to place embargoes on a variety of key goods to China.

II. Assessing the Prospect of a Chinese Communist Victory

Relations between Britain and the Chinese Nationalists reached a nadir by early 1948. Protecting Britain's imperial interests, on 5 and 12 January 1948, the Hong Kong government evicted squatters from the walled-city of Kowloon on the grounds that their continued presence and growing numbers represented a menace to the security of the colony.¹ In response, Chinese mobs destroyed British property at Canton on 16 January 1948 as a protest against the Kowloon City evictions. Attempting to make a major issue of the incident, the Nationalists claimed jurisdiction over Kowloon in a populist effort to curb British treaty rights. The matter remained a contentious one between the British and Chinese until it faded amidst the rapid advance of CCP armies.² Nevertheless, southern

¹ Grantham to Secretary of State for Colonies, telegram no.956, 20 October 1948, F14784/154/10, FO 371/69583.

² Under the 1898 Anglo-Chinese Convention, Chinese claims for jurisdiction over Kowloon City were technically correct. But after disturbances in 1899 by repeated attacks on British forces, the latter occupied the city in 1899, and refused to recede on this position. 'Kowloon Walled City', Scarlett, minute, 14 January 1949, F860/154/10, FO 371/69577. See 'Kowloon Walled City', Scarlett, minute, 10 March 1948, F3602/154/10, FO 371/69580 and 'Arson of British Property at Canton (Shameen Incident)', Hall to Stevenson, telegram no.1A, 22 January 1948, F2019/361/10, FO 371/69605.

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China gained prominence in Nationalist politics during 1948. Soong, Chiang's brother-in-law and former Foreign Minister, had been sent to Canton to try and hold the south, as the Nationalists began to anticipate that northern and possibly central China could be lost to the CCP. Sir Ronald Hall, the British Consul-General at Canton, thought Soong's position was 'an entirely hopeless one' as he had no party following whatever in Canton amongst the people that counted.³

Hall's assessment reflected just one aspect of a rapidly deteriorating situation for the Chinese Nationalist government. During February 1948, Brigadier Field reported to his superiors that the Nationalist armies were struggling to hold Manchuria. Reinforcements of 'crack mechanised troops' had not, wrote Field, produced any appreciable effect. Scathingly, Field pointed out that: 'one has to remember that "crack" now means a division which once had some American weapons, and which wasn't too badly frightened in Burma; and "mechanised" means a division which still has a few jeeps that work'. Field did not now doubt that the long range communist military plan would encompass a jump across the Yangtze into China's central provinces. The only question that remained was when such an operation would be launched.⁴ Although the United States Ambassador to China, John Stuart, argued that for American aid to be effective, Chiang had to be assisted in maintaining a foothold in Manchuria,⁵ Field concluded that: 'I consider it absolutely beyond the capacity of the government to restore the general Manchurian situation, even to where it was eighteen months ago'.⁶

³ Destruction of British Property at Canton (Shameen Incident), Hall to Stevenson, telegram no.2A, 22 January 1948, F1900/361/10, FO 371/69605.

⁴ Field to Tarver, letter DO 5/48, 4 February 1948, WO 208/4922.

⁵ Dening, minute, 23 January 1948, F1120/33/10, FO 371/69527; Levine, 'A New Look at American Mediation in the Chinese Civil War', pp.349-376 and Lowe, *Containing the Cold War in East Asia*, pp.85-86

⁶ Field to Tarver, letter DO 9/48, 3 March 1948, WO 208/4922 and Stevenson to Bevin, letter, 2 February 1948, F2535/33/10, FO 371/69527.

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However, at this point, Britain and the United States were not prepared to completely abandon the Nationalist government. In early 1948, the Ministry of Fuel and Power told the Foreign Office that the Shell Oil company had signed two contracts with Nationalist China in 1947, to supply aviation spirit to the Chinese Air Force. Shell had still to deliver 43,000 barrels and the Ministry of Fuel and Power pointed out that two American companies had been supplying aviation spirit as well.⁷ The Foreign Office was aware that the supply of aviation spirit did constitute assistance in the Chinese civil war, contravening Britain's policy of non-intervention, but thought that the interests of British oil companies would most probably suffer. From the political point of view, the Foreign Office predicted that the Nationalists would 'take it hard' if it discouraged British oil companies from renewing their contracts. The Foreign Office, therefore, saw no political objection to supplies being continued.⁸ In March 1948, the Foreign Office also allowed the export of indirect military assistance to China in the form of aircraft engine parts and supporting technicians.⁹

What little assistance the British could render for Nationalist China was unlikely to have any appreciable effects. By May 1948, Nationalist forces in north China were effectively isolated. Inefficiency had dogged the Nationalist Army. British intelligence saw a Nationalist high command hamstrung by ineffective commanders who subjected the Army to order, counter-order and disorder.¹⁰ The main reason for this was that

⁷ Farrell to Scott, letter, 4 February 1948, F2182/34/10, FO 371/69551.

⁸ See Scott, minute, 10 February 1948, F2182/34/10, FO 371/69551 and Scarlett, minute, 11 February 1948, F2182/34/10, FO 371/69551.

⁹ Engine parts would be sent to De Havilland, Canada, for fitting on aircraft destined for China. 15 Nene jet engines would be supplied to China by Rolls Royce Ltd, together with the despatch of engineers to service Mosquito aircraft. Finally, 40-50,000 sparking plugs would be supplied to an American firm for use in connection with the aircraft for De Havilland. In none of these cases was a direct export of arms and munitions of war to China involved. Scarlett, minute, 25 March 1948, F5192/34/10, FO 371/69551; Haynes to Scott, letter, 30 March 1948, F5192/34/10, FO 371/69551 and Dening, 5 April 1948, F5192/34/10, FO 371/69551.

¹⁰ 'Higher Direction of the Chinese Nationalist Army', DMI memorandum, 8 April 1948, WO 208/4569.

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Chiang put his 'old friends' into places of high command who did not possess the required standard and ability.¹¹ Although Nationalist forces were numerically superior to those of the CCP, the latter continued to increase their supplies by the capture of government stocks.¹² Despite Field's sombre assessments on the state of the Nationalist Army and Hall's warning that China's southern regions were not stable, the JIC did not envisage a complete CCP victory in China. The JIC doubted the ability of the CCP to administer any large commercial or industrial area because they were experienced only in living off the countryside. The JIC were prepared to write-off northern China but remained confident that the communists would merely consolidate their position as far south as the Yangtze. In the opinion of the JIC, to which many Foreign Officials concurred, the CCP would not overrun southern China, threatening Hong Kong and Britain's imperial interests in Asia, due to the hardening of resistance by the provincial troops of the Nationalist government and United States aid.¹³ Such an analysis dismissed any change in the Cold War balance of power and would prove to be extremely wide of the mark.

The JIC did not realise that by 1948 the American Joint Chiefs of Staff had begun to list China as a very low and declining Cold War priority, compared to Europe, the Middle East and, increasingly, Japan. The United States Army and Navy Departments had also begun to question the sense of continuing aid to Nationalist China. A prevailing

¹¹ Record by MacDonald on conversation with Soong, 9 June 1948, 22/2/45, MacDonald papers, DUL; 'Higher Direction of the Chinese Nationalist Army', DMI memorandum, 8 April 1948, WO 208/4569 and Dreyer, *China at War*, p.337.

¹² The JIC estimated that Nationalist forces totalled 3.5 million effective troops while the CCP's Army consisted of 1.25 million regulars. The JIC estimate of the Chinese Air Force was 465 aircraft. Of these 110 were unserviceable requiring spare parts and 145 non-combat types, mainly transport. It was estimated that of the remaining 210, about 120 were unserviceable requiring minor or major maintenance service. Only 90 combat aircraft could be considered fully operational. This was not helped by general inefficiency and an almost complete lack of co-ordinated direction to field commanders. 'China-Military Situation', JIC(48)30(0), 13 May 1948, DEFE 4/13.

¹³ Ibid and Lowe, *Containing the Cold War in East Asia*, pp.86-87.

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view in the State Department suggested that even if the whole of China turned communist, the Soviet Union would gain little benefit in terms of global power. Aside from Manchuria and the northeast, the Policy Planning Staff, for example, felt that China was a 'vast poor house', lacking strategic resources and requiring huge economic assistance to recover from over a decade of war.¹⁴ Washington therefore hoped that the 'loss' of China would have little impact on the Cold War. The Truman administration did yield to Congressional pressure for a limited programme of economic and military aid to the Nationalists, but it did so more for the purpose of defeating opposition to the ERP and buying time in East Asia, than from any conviction that aid to China might actually be effective.¹⁵ The British JIC considered that the China Aid Bill of \$338m for relief and reconstruction, and \$125m for military aid, would not prove effective in time to prevent the collapse of northern China but vainly hoped that it might result in stabilisation thereafter.¹⁶

The British JIC's confidence in the ability of Nationalist China to hold central and southern China would be dealt several blows during the latter half of 1948. Field reported that American military assistance, administered through its advisory group in China, continued 'to get nowhere and achieve virtually no results'.¹⁷ In June 1948, with Berlin blockaded and entanglement in Palestine, General Bradley, chairman of the Joint Chiefs of Staff and General Wedemeyer, Director of Plans and Operations, displayed

¹⁴ Memorandum by the Policy Planning Staff, 7 September 1948, *FRUS, Vol.VIII: The Far East: China, 1948* (Washington, 1973), pp.146-165; Nancy Tucker, *Patterns in the Dust: Chinese-American Relations and the Recognition Controversy, 1949-1950* (New York, 1983), p.14; Leffler, *A Preponderance of Power*, p.249 and Christensen, *Useful Adversaries*, pp.60-61.

¹⁵ Gaddis, *The Long Peace*, p.75; Christensen, *Useful Adversaries*, chp.3; Lowe, *Containing the Cold War in East Asia*, p.115; R.Koen, *The China Lobby in American Politics* (London, 1974) and Alistair Cooke, 'Republicans Tip-Toe Away From an Avalanche: Mr.Marshall Reveals China to Them', *Manchester Guardian*, 23 February 1948. For the United States debate over the grant of aid to China see *FRUS, 1948, Vol.VIII*, pp.442-685.

¹⁶ 'China-Military Situation', JIC(48)30(0), 13 May 1948, DEFE 4/13.

¹⁷ Field to Tarver, letter DO/MA/450(a), 24 May 1948, WO 208/4922.

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even more reluctance than Marshall in placing advisers with Nationalist forces, while Royall suggested the cessation of military supplies.¹⁸ Butterworth dejectedly told Franks that the United States government could no longer influence events in China and was at pains to indicate that American sympathy for Chiang was on the wane. Franks concluded that: 'it would appear that the Americans have no definite policy towards China'.¹⁹ Franks was right. The State Department and NSC remained reluctant to withdraw aid from the Nationalists completely, did not favour a rapprochement with the CCP and pinned flimsy hopes on supporting regional opposition groups to the communists.²⁰ Lacking any alternative suggestions, officials at the Foreign Office were sympathetic to the American position in China, but realised that if the United States could not help the Nationalist government, there was no one else who could.²¹

In a bid to stem the engulfing communist tide, the Nationalist government attempted to introduce currency control measures to retard inflation but the Chinese Minister of Finance clearly revealed to the British Ambassador in China, that he himself was doubtful if the present reserves were adequate. The civil war with its effect on the disruption of communications, continued to hamper local production and distribution, while the shortage of foreign exchange, even allowing for the recent China Aid Bill, remained. British officials at Shanghai gloomily noted that with wholesale prices tripling in the month of June and retail prices similarly tripling during the month of July, there

¹⁸ Memorandum of conversation by Marshall, 11 June 1948, *FRUS, 1948, Vol. VIII*, pp.90-99 and 'Possible Courses of Action for the U.S. with Respect to the Critical Situation in China', NSC 22, 26 July 1948, *ibid.*, pp.118-122.

¹⁹ Franks to Foreign Office, telegram no.222, 5 June 1948, F8226/6319/23, FO 371/69927.

²⁰ See Inverchapel to Foreign Office, telegram no.1069, 6 March 1948, F3611/190/10, FO 371/69584; 'Possible Courses of Action for the United States with the Respect to the Critical Situation in China', Report by the JSSC, JCS 1721/11, 31 July 1948, RJCS: 1946-1953, MF 44, KCL; draft report by NSC on United States Policy Toward China, 2 November 1948, *FRUS, 1948, Vol. VIII*, pp.185-187 and Butterworth memorandum for Lovett, 3 November 1948, *ibid.*, pp.187-189.

²¹ Scarlett, minute, 14 June 1948, F8226/6319/23, FO 371/69927 and Scott, minute, 26 February 1948, F3004/190/10, FO 371/69584.

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was a general feeling amongst the public that the situation had become untenable.²² According to Stevenson, his American counterpart had now lost all faith in Chiang.²³ By the end of 1948, Chiang avoided implementing any social, political or economic changes to alleviate the deplorable conditions facing the peasants. It contrasted sharply with the CCP's integration of political, economic and military objectives, that made full use of the peasant population and resources at its disposal. The speed with which the Nationalists collapsed in 1949, reflected its poor relationship with the Chinese people. One British official claimed that the Nationalists were so unpopular that they acted virtually as a fifth column for the CCP.²⁴

The turning point for Chiang was his doomed effort to win back Manchuria. During the last four months of 1948, the Nationalists lost nearly one million men through death, desertion or capture, along with an enormous quantity of military equipment. When Chiang started to bomb his own troops rather than permit their weapons and supplies to fall into CCP hands, he made emphatically clear the failure of his resistance effort.²⁵ Field lamented the ease with which the communist armies were advancing and observed that: 'one feels they really ought to accept a handicap of some sort, like having the Ministry of National Defence move over to their side *en bloc*. It would be too much, to ask them to

²² 'New Chinese Economic and Currency Measures', Mackenzie to Lamb, telegram no.422, 24 August 1948, F12232/39/10, FO 371/69568.

²³ Stevenson to Foreign Office, telegram no.567, 8 July 1948, F9585/33/10, FO 371/69536.

²⁴ See 'Appreciation of North China Situation in the Event of Nationalist Collapse', Franklin memorandum, 19 March 1948 in Burdett to Stevenson, despatch no.10, 19 March 1948, F6117/33/10, FO 371/69531. In the villages, towns and cities of northern and central Manchuria, a new communist structure of power was erected through a series of often violent campaigns aimed particularly against landlords, rich peasants and their political agents in the countryside. As the old elite was dispersed and destroyed, CCP cadres redistributed their land and possessions. See Patricia Ebrey, *The Cambridge Illustrated History of China* (Cambridge, 1996), pp.286, 290; Levine, *Anvil of Victory*, pp.124, 137 and Christopher Jespersen, *American Images of China*, p.152

²⁵ *ibid.*, p.151; Dreyer, *China at War*, pp.336-340 and Tucker, *Taiwan, Hong Kong, and the United States*, p.19.

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accept the President and let him direct their strategy!²⁶ On a more serious note, in late 1948, the British Directorate of Military Intelligence finally began to see dangerous Cold War connotations to a possible collapse of Nationalist resistance. The capacity of the Nationalist government to hold south China was of particular concern to Britain, with regard to its imperial interests in Hong Kong and Southeast Asia. After the loss of Manchuria, intelligence indicated that there were several CCP cells and a number of bandit groups south of the Yangtze which the CCP were attempting to link. However, like the JIC analysis before, the Directorate confidently hoped that if the central government were strengthened by substantial external aid and its direction became more democratic, south and west China could remain under Nationalist control. But, it was recognised that Manchuria and most of China north of the Yangtze were unlikely to be regained by the Nationalist government, even after a prolonged period of reconstruction in the south with foreign aid.²⁷ The British continued to underestimate the strength and potential of the CCP

In fact, no aid to the Nationalists was forthcoming and when Madame Chiang Kai-shek made a direct and formal approach to Marshall in a last desperate appeal, Washington rejected her advances.²⁸ Marshall told Bevin when they met at the UN General Assembly discussions in Paris during November 1948, that although the United States would continue to supply the Nationalists with aid from existing contracts, his

²⁶ Field to Tarver, letter D/O No.42/48, 5 October 1948, WO 208/4922.

²⁷ 'The Military Situation in South China', DMI memorandum, 3 November 1948, WO 208/4748.

²⁸ Memorandum of conversation, by Secretary of State, 3 December 1948, *FRUS, 1948, Vol. VIII*, pp.299-301 and Stevenson to Foreign Office, telegram no.1071, 30 November 1948, F16816/190/10, FO 371/69587. Lovett told Franks that it was difficult to see what more the United States could do. If the State Department issued a statement that assisted Chiang, they would be concealing the true facts from the American public and Congress. Yet, if the State Department revealed the true facts, they would 'pull the rug from under Chiang Kai-shek's feet'. Lovett felt, therefore, that it was best to say nothing. See Franks to Foreign Office, telegram no. 5437, 29 November 1948, F16909/190/10, FO 371/69587.

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government was at its 'wits end' over China. Referring to Chiang's disastrous campaign in Manchuria, Marshall explained that Nationalist forces were providing more arms and equipment for the Chinese communist armies in a week than the United States could produce in twelve months. Importantly, Marshall pointed out to Bevin, that to dissipate their men or material further in China could only be done at the expense of the Marshall Plan.²⁹ To add to the West's difficulties in China, there was minimal consultation between the Foreign Office and the State Department. This state of affairs began to witness signs of a divergence in Anglo-American policies towards China by late 1948. During October, as the Nationalist position in Manchuria crumbled, official emergency warnings were issued to American citizens in China, by Ambassador Stuart and John Cabot, the Consul-General in Shanghai, recommending evacuation. This panic contrasted sharply with British calmness inside China and officials on the ground deemed it prudent for the British business community to stay put.³⁰

This decision, supported by the Foreign Office, sprung from the conviction that even if the CCP were victorious, it would be impossible for Mao to rule China without outside help that might include Britain. The British had already received reports noting the presence of Soviet technical advisers in north China,³¹ and Bevin told the Cabinet in December 1948, that after a communist victory, economic difficulties would possibly force the CCP to be tolerant towards foreign trading interests. Nonetheless, Bevin warned that: 'the present nationalist tendency towards foreign investments and capital installations would thereafter be enhanced and that the intention to work rapidly towards

²⁹ Bevin to Foreign Office, telegram no.109, 19 November 1948, F16331/190/10, FO 371/69586 and Scarlett, minute, 6 December 1948, F17445/33/10, FO 371/69546.

³⁰ Xiang, *Recasting the Imperial Far East*, pp.150-151, 160-161.

³¹ A source from the British Kailan mining administration Staff in north China reported that on 2 December 1948, he saw scores of Russians arrive at Chinwangtao, wearing a kind of semi-official uniform with no insignias or badges, who proceeded to examine all technical installations. See His Majesty's Consul-General(Tientsin) to Nanking, despatch no.502, 14 December 1948, F969/1015/10, FO 371/75737.

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the exclusion of the foreigner would be strengthened'. Finally, Bevin felt that the Chinese communists would subject foreign trade, both import and export, to close government control, which did not altogether suit the types of trade British merchants were accustomed to in China. Bevin's general conclusion was that, after a temporary dislocation of perhaps several months, trade between the sterling area and China would not cease under communist domination. Its maintenance would, however, present new difficulties. If these could be overcome, a stable communist administration should be able to do more than the present regime to provide commodities valuable to Britain in payment for British exports'.³² A policy of keeping 'a foot in the door' was essential in order to try and preserve British imperial and economic interests in the face of American indecision. By not pulling out of China, the British also wanted to avoid appearing hostile to the CCP, thereby hoping to undercut communist agitation in Southeast Asia.

III. Dealing with the Chinese Communist Threat: Britain and the Defence of Hong Kong, Formosa and Southeast Asia

Throughout Southeast Asia, many territories, ravaged by the recent war, were dominated by nationalist struggles against their European colonial rulers. In December 1947, Mao called upon 'all anti-imperialist forces' to oppose colonialism and when a group of international communists met at Calcutta during February-March 1948, to which a large Soviet delegation was sent, revolts and violence broke out across Burma, Malaya and Indonesia.³³ These events made the British more anxious to stabilise Southeast Asia.

³² 'Recent Developments in the Civil War in China', Bevin memorandum, CP(48)299, 9 December 1948, CAB 129/31(Part I).

³³ The Soviet Union had also for the first time obtained diplomatic representation in East and Southeast Asia. See 'Communist Influence in the Far East', JIC(48)113(Final), 17 December 1948, DEFE 4/19 and 'Communist Strategy in S.E. Asia', Foreign Office memorandum, 12 November 1948, F15863/727/61, FO 371/69695. During 1948-1949, the CCP leadership began to think in terms of a much broader anti-imperialist Asian and world revolution. They had come to believe that their model of revolution transcended China and was the beginning of a new high tide of revolutionary movements. See Chen Jian, *China's Road to the Korean War*, p.21.

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However, British planners were not prepared to overestimate the influence of Soviet designs on Southeast Asia in 1948. If, for example, communism did manage to expel the European colonial powers from Southeast Asia, the extent to which the Soviet Union could itself hope to fill the vacuum was not at present clear. The threat was more likely to emerge from a Chinese communist-led revolution. But, as the last sub-section showed, in 1948, the British still underestimated the ability of the CCP to rule China, let alone lead a revolution in China.³⁴ The Cabinet's Far Eastern Official Committee recognised there was little Britain could do to halt communism inside China. The main task was to build up resistance in the surrounding countries. The foundation with which this resistance could be built up, rested upon United States support and the settling of internal disputes in Indo-China and Indonesia. The next stage, according to the Foreign Office and the Commanders-in-Chief, Far East (Cs-in-C, Far East), was the development of local manpower and material, the promotion of economic and social welfare, a strong intelligence apparatus backed by police powers, and political development with a view to self-government. Maintaining stability in Malaya, argued the Cs-in-C, Far East, was the key from which the influence of the British Commonwealth would radiate into India, China, Burma, Siam, Indo-China and Indonesia.³⁵

The outbreak of communist uprisings in Southeast Asia had moved the British to start thinking about a Cold War policy for Asia. But, during the October 1948 Commonwealth conference, even though Bevin aired the idea of regional political and economic co-operation, his proposals were only cautiously welcomed. India, Pakistan,

³⁴ 'Soviet Interests, Intentions and Capabilities', JIC(48)9(0)Final, 23 July 1948, DEFE 4/5; 'Communist Strategy in S.E.Asia', Foreign Office memorandum, 12 November 1948, F15863/727/61, FO 371/69695; Coates, minute, 30 December 1948, F17873/33/10, FO 371/69548 and Blackham, minute, 3 January 1949, *ibid*.

³⁵ See 'The Strategic Position of Malaya', CIC(FE)(48)1(P), 6 February 1948, Annex to 'The Strategic Position of Malaya', note by Stapleton, COS(49)43(0), 23 February 1948, DEFE 5/10; 'Communist Strategy in S.E.Asia', Foreign Office memorandum, 12 November 1948, F15863/727/61, FO 371/69695 and Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, pp.270-271.

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Australia and New Zealand, were all unwilling to do anything to support the European imperial powers in Indo-China and Indonesia. Meanwhile, the State Department, watching the United States position in China rapidly crumble, was also reluctant to expend more dollars further south.³⁶ As a Chinese communist crossing of the Yangtze appeared increasingly likely in 1949, after Chiang's loss of Manchuria, Malcolm MacDonald wrote a wealth of letters to London about the deteriorating situation and its possible effects on Britain's imperial position.³⁷ The Far Eastern Official Committee had already warned the Cabinet that CCP control of China would present a 'grave danger to Malaya', as the morale of the Malayan communists would improve and more CCP agents could be infiltrated. Siam and French Indo-China were seen as poor buffer states to prevent the tide of communism.³⁸

Consequently, MacDonald, hawkish and playing up the importance of Southeast Asia in Britain's Cold War global strategy, hoped that the Attlee government would give him something more than diplomacy to work with. Nevertheless, he realised that: 'In London, the spirit is willing, but the flesh is weak. In Washington, the flesh is strong, but the spirit has so far been unwilling'.³⁹ Aware that the Americans were reluctant to spend more dollars in Asia after 'burning their fingers in China',⁴⁰ Hubert Graves, the Asian-Pacific expert at the British Embassy in Washington, was left in no doubt by the Foreign Office that he had 'to get the United States government to help us press the

³⁶ Bullock, *Ernest Bevin*, p.631 and Hack, 'Southeast Asia and British Strategy, 1944-51', p.323.

³⁷ See, for example, MacDonald to Strang, letter, 3 April 1949, 22/8/88-90, MacDonald papers, DUL.

³⁸ Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, p.271.

³⁹ MacDonald to Killearn, letter, 26 February 1949, 22/6/80, MacDonald papers, DUL and MacDonald to Bevin, letter, 23 March 1949, F4545/1073/61, FO 371/76033.

⁴⁰ 'China and Japan', Denning, minute for Bevin, 23 March 1949, F4408/1023/61, FO 371/76023; Denning to Syers, letter, 18 March 1949, F4486/1023/61, FO 371/76023; 'Southeast Asia', Denning, minute for Strang, 23 March 1949, F4487/1023/61, FO 371/76023 and 'Brief on South-East Asia', Bevin memorandum, 23 March 1949, *ibid.*

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Orientalists to build up their own front against communism. If this has the convenient sequel that America should become economically involved in Southeast Asia, so much the better'.⁴¹ In February 1949, Sir William Strang, after his recent journey through Asia, felt that only through a combination of British experience and American resources could the foundations of a positive policy be formed.⁴² Soon to take up his position as permanent under-secretary at the Foreign Office, Strang's hopes were ambitious and unlikely to be realised, especially as the United States maintained its opposition to imperialism. Britain, without a partner in Southeast Asia, had to turn to other methods to prevent the spread of communism. As a world power Britain could not 'scuttle and run' from its imperial responsibilities in Southeast Asia.

For their part, the Joint Planning Staff considered that in order to nullify communist plans for political infiltration, Britain's main aims should be to restore law and order in Malaya, give India all possible military assistance, encourage Australia and New Zealand to take an active part in the theatre and continue with military support for the governments of Pakistan, Ceylon, Burma and Siam.⁴³ British garrisons in Southeast Asia, argued the Joint Planning Staff, must give the necessary military backing to the political and economic policy of the civil power. But, as the regular forces which the British could afford to deploy in the theatre would be limited, both in peace and war, local forces, suggested the Joint Planners, must be as strong as possible. Even these forces, the Joint

⁴¹ Graves to Denning, letter, 21 February 1949, F3215/1017/61, FO 371/76003. For an indication of American reluctance to spend dollars in Southeast Asia see memorandum of conversation by Chief of the Division of Southeast Asian Affairs, 23 February 1949, *FRUS, Vol. VII: The Far East and Australia, 1949* (Washington, 1978), pp.1118-1119; Graves to Scarlett, letter, 7 February 1949, F2415/1017/61, FO 371/76003 and Denning to Graves, letter, 14 February 1949, F2415/1017/61, FO 371/76003.

⁴² 'Sir William Strang's Tour in South-East Asia and the Far East', Strang report to Bevin, 27 February 1949, F4447/1051/61, FO 371/76028.

⁴³ See 'Strategic Implications of the Situation in China', JP(48)124(Final), 12 January 1949, DEFE 6/7 and 'General Strategic Implications of the Situation in China as Foreshadowed in the Foreign Office Appreciation', COS memorandum, COS(49)29, 20 January 1949, DEFE 5/13.

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Planners concluded, would be minimal and require the further support of an adequate intelligence service, organised on a regional basis to ensure full co-operation between all friendly countries in the area.⁴⁴ However, British officials on the ground in Southeast Asia were not satisfied with the results being achieved by the intelligence organisations.⁴⁵ MacDonald now wanted a full time chairman appointed to the JIC, Far East, who could co-ordinate all intelligence activities across the theatre. This would relieve the existing chairman, the deputy commissioner-general for Foreign Affairs, to concentrate fully on his existing duties.⁴⁶ The Chiefs of Staff agreed to this and appointed a full time chairman on a trial basis for two years.⁴⁷

As a communist-dominated China became an increasingly real prospect, Whitehall began to belatedly consider the Cold War implications. During early 1949, responding to an appreciation by the Foreign Office, the Joint Planning Staff, in consultation with the Colonial Office and the Cs-in-C, Far East, examined the consequences for British policy in Asia, if Mao achieved victory. The Joint Planners argued that, in the event of a Hot War, a communist China could be allied with the Soviet Union. Even in peace, the Joint

⁴⁴ 'Far East Strategy and Defence Policy', JP(48)101(Final Revise), 17 March 1949, DEFE 6/6.

⁴⁵ MacDonald had been particularly unimpressed by the failure of the Malayan Security Service to predict the internal threat to Malaya. See Andrew Defty, 'Organising Security and Intelligence in the Far East: Further Fruits of the Waldegrave Initiative: The Malcom MacDonald Papers, The University of Durham', *Study Group on Intelligence: In the Archives*, Vol.22 No.16 (Winter 1997/1998), pp.2-5 and Karl Hack, 'British Intelligence and Counter-Insurgency in the Era of decolonisation: The Example of Malaya', *Intelligence and National Security*, Vol.14 No.2 (Summer, 1999), pp.124-155. The chairman of the JIC had also been forced to admit that the Asian-Pacific region had been accorded a low priority in intelligence. It had not even been given first or second priority for intelligence purposes. The main problem which had to be faced was a shortage of intelligence personnel. Arrangements were therefore being made to allot the theatre with a high proportion of the intelligence resources available. Hayter, minute, COS(49)92, 22 June 1949, DEFE 4/22.

⁴⁶ BDCC, Far East, to COS, telegram no. SEACOS 888, 28 March 1949, 22/7/31, MacDonald papers, DUL.

⁴⁷ MacDonald to Foreign Office, telegram no.294, 19 April 1949, 22/7/44, MacDonald papers, DUL. The function of the JIC, Far East, was to provide security intelligence, except military intelligence which would remain the responsibility of the Cs-in-C, Far East. See 'Review of Intelligence Organisation in the Far East', JIC(49)59(Final), 10 September 1949, DEFE 4/24 and COS minutes to COS(49)138, 19 September 1949, DEFE 4/24.

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Planning Staff felt that a communist China might be available for the preparation of bases and their use by Soviet forces in war. This could assist the Soviets in countering the American strategic air offensive from Japan, forcing the allies to deploy larger static air defences at the expense of European and Middle Eastern security. Still, the Joint Planning Staff were confident that an allied retention of sea communications would preclude direct threats to Australia and New Zealand. Similarly, while the allies controlled the sea approaches, no serious invasion threat to Malaya or the East Indies could develop owing to inadequate Chinese land communications. Yet, in a note of warning, the Joint Planning Staff concluded that should the Soviets in war make use of bases in southern China, the air threat to Southeast Asia would be increased. If unchecked, this would result in the decreased production of rice, rubber, tin and oil, affecting the value of these countries as minor support areas.⁴⁸

These military-strategic concerns prompted the Cs-in-C, Far East, to recommend organising underground movements behind Chinese communist lines in an attempt to hinder their advance while putting at least one brigade group on standby to reinforce Hong Kong. Furthermore, The Cs-in-C, Far East, suggested that the integrity of Formosa had to be upheld and immigration laws ruthlessly maintained in all of Britain's imperial possessions. Formosa, according to the Cs-in-C, Far East, occupied an important strategic position in relation to north French Indo-China and the coast of China, between Hong Kong and the western Chinese frontier.⁴⁹ Setting up a government on the island in August 1949, after the Nationalist position on the mainland appeared lost, Chiang would turn Formosa into a fortress and he hoped that the United States

⁴⁸ 'Strategic Implications of the Situation in China', JP(48)124(Final), 12 January 1949, DEFE 6/7. See also 'Effects of Communist Successes in China', JIC(48)133(Revise), 6 January 1949, CAB 158/5.

⁴⁹ 'Measures Required in View of the Communist Advance in China', CIC(FE)(48)8(P) in 'China', Note by Price, COS(48)200, 10 December 1948, DEFE 5/19.

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would protect it.⁵⁰ During 1949, Anglo-American planners recognised that Formosa could jeopardise lines of communications in relation to the defence of Hong Kong, Japan and the Philippines. But, by the end of 1949, the State Department, disillusioned with Chiang, persuaded the Joint Chiefs of Staff to disavow the use of overt military force to protect the island, in favour of moderate economic and political help.⁵¹ Stalin also rejected giving military assistance to the CCP in their bid to recapture Formosa for fear of provoking war between the United States and the Soviet Union.⁵²

The State Department, the Foreign Office and the Chiefs of Staff, all incorrectly held out little hope that Chiang could defend Formosa beyond 1950, despite a successful defence of the island by the Nationalists during the autumn of 1949. The Joint Chiefs, ignoring MacArthur's requests, continued to discount a military occupation of the island, in view of ^{American} ~~its~~ commitments to NATO and the likely adverse reaction it could provoke amongst the Chinese people. In December 1949, ~~the Joint Chiefs~~, under pressure from ^{the Joint Chiefs} Acheson, ^{the Joint Chiefs} were forced to confess that Formosa posed no special threat to Japan, Okinawa or the Philippines and that: 'there was little difference in terms of exposure of Okinawa between hostile bases on the China mainland and on Formosa'.⁵³ The British

⁵⁰ Allied policy toward Formosa was to treat it as occupied territory and return it China. Churchill, Roosevelt, Chiang and Stalin accepted this recommendation during the end of 1943 at Cairo and Teheran. But the Nationalists, on their return, had systematically looted the island and caused inflation, unemployment and a drop in production. Consequently in 1947, the Formosans revolted but were ruthlessly suppressed by the Nationalists. See Tucker, *Taiwan, Hong Kong, and the United States*, pp.27-29; Gu, *Conflicts of Divided Nations*, p.37 and Chace, *Acheson*, p.217.

⁵¹ See 'The Military Situation in South China', DMI memorandum, 3 November 1948, WO 208/4748; Gascoigne to Scarlett, letter, 20 January 1949, F1731/10345/23, FO 371/76215; Lamb to Scarlett, letter, 21 February 1949, F3546/10127/10, FO 371/75801 and 'Recognition of Chinese Communist Government', JP(49)140(Final), 28 November 1949, DEFE 6/11. The Joint Chiefs of Staff, the State Department and MacArthur all considered that the loss of Formosa could be detrimental to the security of the United States in the Pacific. See 'The Strategic Importance of Formosa', NSC 37/3, 11 February 1949, *FRUS, Vol. IX: The Far East: China, 1949* (Washington, 1974), pp.284-286; Gaddis, *The Long Peace*, pp.80-83 and Chace, *Acheson*, p.221.

⁵² Goncharov, Lewis and Litai, *Uncertain Partners*, p.69.

⁵³ See 'The Position of the United States with Respect to Formosa', report by JSSC, JCS 1966/17, 9 August 1949, RJCS: 1946-1953, MF45, KCL; 'Formosa', Conversation between Denning, Butterworth and Livingston Merchant, 9 September 1949, F14256/1072/61, FO 371/76032; Denning to Elliott, letter, 18 October 1949, F15856/10127/10, FO 371/75804;

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had also protested to the Americans that continued military aid to the Nationalists on Formosa could fall into the hands of the CCP and be turned on Hong Kong. Consequently, the British JIC concluded that a Chinese communist occupation of Formosa, would lift the present Nationalist blockade of Shanghai, improve possibilities of trade with the CCP and reduce the likelihood of an attack on Hong Kong.⁵⁴ These proposals seemed more concerned with preserving Britain's imperial position in Asia. Indeed, Hong Kong had developed into one of the world's great entrepôts, with commercial interests not just in China but throughout Asia. Throughout 1949, British planners had been worried about threats to Hong Kong, particularly in the form of internal unrest through communist-influenced trade unions, a large scale influx of refugees or CCP-inspired external aggression by guerrilla bands. To combat these problems, the BDCC, Far East, requested that the 3 battalions on Hong Kong be reinforced by a brigade group and the Chiefs of Staff agreed.⁵⁵

'Measures which might be taken to prevent Formosa and its military assets coming under Communist control', JIC(49)99(Final), 27 October 1949, DEFE 4/26 and Price to Scarlett, letter, 21 November 1949, F17490/10127/10, FO 371/75805. For the American stance see memorandum of conversation by Sproule, 6 December 1949, *FRUS, 1949, Vol.IX*, pp.435-437; memorandum of conversation by Acheson, 29 December 1949, *ibid.*, pp.463-467 and 'The Position of the United States with respect to Asia', NSC 48/1, 23 December 1949, RJCS: 1946-1953, MF 56, KCL. By November 1949, the Chief of Staff of the United States Air Force advocated that the CIA begin to plan for the destruction of Chiang's air force as soon as the fall of Formosa appeared imminent. See Tucker, *Taiwan, Hong Kong, and the United States*, p.30 and Schaller, *The American Occupation of Japan*, pp.209-211. CCP commanders, encouraged by easy victories on the mainland, began to underestimate the Nationalists remaining strength. Without air and naval support and other means of shipping, when Chinese communist armies landed at Jinmen on 25 October 1949, Nationalist forces won control of the sea and air, destroyed all transport vessels and in 3 days of fighting the CCP lost 9,000 troops. One week later the communists lost another division. See He Di, "The Last Campaign to Unify China": The CCP's Unmaterialised Plan to Liberate Taiwan, 1949-1950', *Chinese Historians*, Vol.5 No.1 (Spring 1992), p.6.

⁵⁴ Butterworth memorandum for Acheson, 28 December 1948, *FRUS, 1949, Vol.IX*, pp.461-463; memorandum of conversation by Acheson, 29 December 1949, *ibid.*, p.467 and 'Implications of the Defection of the Nationalist Forces on the Security of Hong Kong', JIC(49)98(Final), 26 October 1949, CAB 158/8.

⁵⁵ 'Reinforcement of Hong Kong', Alexander memorandum, DO(49)32, 26 April 1949, CAB 131/6 and Tucker, *Patterns in the Dust*, p.23.

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MacDonald and the Chiefs of Staff felt that if Britain did not defend the colony, it would have a disastrous effect on Britain's imperial position in Asia, particularly amongst friendly countries such as Burma, Siam and French Indo-China.⁵⁶ Bevin endorsed these recommendations but opposed MacDonald's suggestion that Britain take a provocative attitude by declaring that they would never leave Hong Kong in any circumstances. In the opinion of Bevin and Attlee, British policy had to focus on resisting aggression.⁵⁷ Bevin's argument was based on galvanising world-wide support for Britain's actions in defending Hong Kong. The Canadians, for example, had already stated that they would not help defend British colonial possessions.⁵⁸ During the summer of 1949, despite its useful position with regards to intelligence gathering, the United States also declared that a commitment to help protect Hong Kong was out of the question. At a time when NATO was under consideration by Congress, the latter could question the boundaries of the Pact.⁵⁹ Notwithstanding a mixed response on the part of the Commonwealth to provide material support, the British had their full moral support.⁶⁰ However, in June 1949, the British obtained intelligence that exposed the CCP's long-term economic plans

⁵⁶ MacDonald, minute, COS(49)73, 18 May 1949, DEFE 4/21 and Alexander, minute, COS(49)73, 18 May 1949, *ibid*.

⁵⁷ See Bevin, minute, China and Southeast Asia Committee, SAC(49)5, 19 May 1949, CAB 134/669 and 'Hong Kong', Attlee memorandum, CP(49)119, 24 May 1949, C129/35. The Cabinet supported Bevin's and Attlee's policy. See Cabinet conclusions, CM(49)38, 26 May 1949, CAB 128/15.

⁵⁸ United Kingdom High Commissioner (Canada) to CRO, telegram no.639, 28 May 1949, F7962/1192/10, FO 371/75873.

⁵⁹ 'Implications of a Possible Chinese Communist Attack on Foreign Colonies in South China', COS, United States Army memorandum, 10 June 1949, JCS 1330/51, RJCS: 1946-1953, MF 56, KCL. See also Johannes Lombardo, 'A Mission of Espionage, Intelligence and Psychological Operations: The American Consulate in Hong Kong, 1949-64', in *Special Issue, Intelligence and National Security*, Vol.14 No.4 (Winter 1999), pp.64-81.

⁶⁰ New Zealand even made available three frigates and a transport flight of three Dakotas. Australia and India doubted that a CCP attack on Hong Kong was likely. Australia had made available some shipping and was considering to offer medical supplies and ammunition. But the Joint Planners thought that Australia could be more forthcoming with material assistance if Hong Kong was actually attacked. See 'Current United Kingdom policy in China and Hong Kong', JP(49)97(Final), 14 September 1949, DEFE 6/10.

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for Kwangtung in southern China. The plans envisaged the continuation of the colonial administration at Hong Kong. Other indicators helped to relieve the tension for the British. The Hong Kong security authorities, for example, had not discovered any evidence of preparations for an internal rising, while internal CCP propaganda made no claims for Hong Kong.⁶¹ By late 1949, the Joint Planning Staff and JIC still did not possess any evidence for, or fear, an imminent Chinese communist attack on Hong Kong.⁶²

The military reinforcement of Hong Kong appeared to vindicate the Cs-in-C, Far East, assertion that, in Cold War, a 'half-hearted policy will achieve nothing since only firm direction and the visible signs of power are likely to convince the oriental mind'. Despite these strong words, the British had few military resources at hand and little money to help sustain struggling countries in Southeast Asia and protect them from communist insurgency.⁶³ Meanwhile, policymakers in Washington remained reluctant to commit resources to the Asian mainland and advocated that Japan and the Philippines should form the main bulwark of a 'defensive perimeter' to safeguard American Cold War interests.⁶⁴ Kennan categorically told British officials that States in Southeast Asia had to be capable of defending themselves.⁶⁵ The Foreign Office questioned the validity of the 'defensive perimeter' concept. It worried that if Burma, Siam and Indo-China

⁶¹ 'Situation in South China as at 28th June 1949', JIC(49)44/10(Final), 24 June 1949, CAB 158/7.

⁶² 'Recognition of Chinese Communist Government', JP(49)140(Final), 28 November 1949, DEFE 6/11 and 'A Review of the Threat to Hong Kong as at 4th October 1949', JIC(49)44/11(Final), 5 October 1949, CAB 158/7.

⁶³ Britain had ^{sent} limited supplies to the Burmese as part of a policy of encouraging them to accommodate the rebellious Karens, perceived as dependable anti-communists, and had little money to offer even for the hard-pressed Malayan Government. See 'Far East Strategy and Defence Policy' JP(49)101(Final Revise), 17 March 1949, DEFE 6/6 and Hack, 'Southeast Asia and British Strategy, 1944-51', p.323.

⁶⁴ See Kennan, *Memoirs*, p.381; Blum, *Drawing The Line*, chp.7 and Gaddis, *The Long Peace*, p.80.

⁶⁵ Hayter to Jebb, letter, 20 May 1949, W3062/2/500, FO 371/76383. See also Franks to Bevin, letter, 22 March 1949, F4595/1015/10, FO 371/75747 for further indications of a cautious American attitude regarding commitments to Southeast Asia.

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turned communist, the foothold in the perimeter ring would become precarious. Britain's imperial position in the South China Sea depended on the existence of bases at Malaya and Hong Kong. If these bases were lost, the position of the perimeter countries, even if bolstered by American aid would become militarily impossible. Recollections of experiences in 1941-1942 were undoubtedly helping to shape the British reaction to the crisis.⁶⁶

As leading media platforms, such as *The Economist*, stirred up emotions about the implications of Chinese communism on the borders of Southeast Asia,⁶⁷ the British continued to 'peg away' at the Americans, in order to highlight the seriousness of the situation.⁶⁸ In the intervening period, Bevin told Attlee that the British should, at the forthcoming Commonwealth Foreign Ministers meeting, start to prepare the ground for economic regional co-operation which could later develop into a security arrangement.⁶⁹ To preserve Britain's imperial position and world power status, the BDCC, Far East, agreed and urged the formation of a containing ring against further communist penetration. The BDCC, Far East, hoped that this 'containing ring' would include India, Burma, Siam, French Indo-China and the Dutch East Indies.⁷⁰ Evidence suggests that these British reactions to the situation in Asia were not misplaced. A prominent official in the CCP leadership, Liu Shao-ch'i, would visit Stalin in the summer of 1949, to hear the latter surprisingly tell him that the CCP should advance the rising tide of world revolution, especially in Asia.⁷¹ Yet, this conversation had implications that would also

⁶⁶ Blackburn, minute, 8 March 1949, F3215/1017/61, FO 371/76003.

⁶⁷ 'South-East Asia', *The Economist*, 28 May 1949. For similar arguments see also 'South-East Asia', *Manchester Guardian*, 5 May 1949.

⁶⁸ Scott, minute, 30 April 1949, F4595/1015/10, FO 371/75747; Bevin, minute, 30 April 1949, *ibid* and Xiang, *Recasting the Imperial Far East*, p.201.

⁶⁹ Bevin, minute for Attlee, 21 April 1949, F8035/1072/61, FO 371/76031 and 'South Asia', Bevin memorandum, 14 April 1949, *ibid*.

⁷⁰ Alexander, minute, CM(49)33, 9 May 1949, CAB 128/15.

⁷¹ Liu remained cautious in acknowledging before Stalin that China would have sole control over

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help to serve the British in their effort to combat communism. The Malays, for example, formed a bulwark against communism, seeing it as foreign and rooted in a Chinese community they perceived as a political and economic threat.⁷²

The threat remained but achieving a regional agreement similar to the North Atlantic Pact would be harder to accomplish in Asia. Firstly, an American commitment was lacking because of its disastrous policy towards China. Secondly, the imperial policies of the French and Dutch were regarded with great suspicion by the Asiatic peoples and the United States.⁷³ The cultural, political and historical complexities of the region, led the New Zealanders, for example, to table ideas for a Pacific Pact in the summer of 1949, that contained only 'peoples of European origin'. The Pact would exclude India, Japan, Siam and, for political reasons, the French and Dutch as well. The idea was quite simply to secure a United States military guarantee for Australia, New Zealand and British territories in Southeast Asia.⁷⁴ When the Filipino President, Elpidio Quirino, proposed a regional Pacific Pact he insisted that the United States provide money and leadership. However, Quirino's idea won few friends once Chiang had managed to sign his name to the Pact.⁷⁵ Both the Foreign and Commonwealth Relations Offices, for their part, saw India as a crucial link in constructing a regional agreement but they realised that the British could not surrender the initiative to India, that could affect Britain's world power

the direction of Asian revolution. Stalin may also not have been averse to encouraging a certain amount of Chinese expansionism away from the Soviet Union as a way of embroiling Mao in peripheral conflicts and ensuring that his state did not become too powerful. See Jian, *China's Road to the Korean War*, p.74 and Gaddis, *We Now Know*, pp.66-67.

⁷² 'Communist Influence in the Far East', JIC(49)33(Final), 29 April 1949, CAB 158/6 and Hack, 'British Intelligence and Counter-Insurgency in the Era of Decolonisation', p.125.

⁷³ 'United States Policy Toward Southeast Asia', Policy Planning Staff paper, PPS 51, 29 March 1949, FRUS, 1949, Vol.VII, pp.1128-1133.

⁷⁴ UK High Commissioner in New Zealand to CRO, telegram no.206, 20 May 1949, PREM 8/968 and Bevin to Makins, telegram no.36, 24 May 1949, W3160/21/68, FO 371/76375.

⁷⁵ MacDonald said he hoped Quirino-Chiang Pacific Pact would be 'stillborn'. Clark to Acheson, 4 August 1949, FRUS, 1949, Vol.VIII, pp.471-472. Acheson also took a negative view of the Pact. Acheson to Douglas, 20 July 1949, FRUS, 1949, Vol.IX, pp.50-52. See also Xiang, *Recasting the Imperial Far East*, pp.201-203.

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status, nor induce it to follow British imperial leadership. The former outcome could lead, in the view of the Colonial Office, to an eclipse of British imperial power in Southeast Asia and distrust among the smaller Asiatic powers. The latter would preclude India's participation and rejection of what it would see as another 'power bloc'.⁷⁶

As the British Permanent Under-Secretary's Committee (PUSC) noted, no final regional system of collaboration could, in the long run, hope to exist without American participation. But the PUSC pointed out that the American failure in China had left them content to let Britain develop plans for regional co-operation, waiting to see if they worked in practice before offering to assist or participate in them. It was clear that there was no single Asiatic power capable of dominating the region nor any combination of powers which, by its united strength, could successfully resist communist expansion. Britain, through its links with the Commonwealth, was therefore in a unique position to help. Before the war Britain had been the largest foreign investor and its holdings remained substantial. Although the United States was now a bigger trader, the PUSC claimed that historically and culturally, it did not enjoy the same presence as Britain. To promote regional unity, the PUSC recommended that British policy should aim to remove the stigma of imperialism and help to solve many of the disputes in the area, such as Kashmir.⁷⁷ Apart from Commonwealth solidarity and the continuing struggle for American participation, the PUSC argued that the British should push through plans for economic development with an emphasis on industrialisation. In pursuing this policy, the PUSC recognised that Britain would be unable to satisfy Asian demands for large

⁷⁶ Acheson also hoped that India could assume some form of leadership in Southeast Asia. Acheson to Douglas, 20 July 1949, *FRUS, 1949, Vol. IX*, pp.50-52 and Tarling, *Britain, Southeast Asia and the Onset of the Cold War*, pp.329-340. Pandit Nehru, the Indian leader, had tried to develop a 'united Asian front' but met with a somewhat lukewarm response throughout the whole region. See Dening, minute for Strang, 29 March 1949, F2191/1072/61, FO 371/76031.

⁷⁷ 'Regional Co-operation in Southeast Asia and the Far East', PUSC(53)Final, 30 August 1949, W4743/3/500, FO 371/76385. See also 'Brief on South-East', Bevin memorandum, 23 March 1949, F4487/1023/61, FO 371/76023.

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amounts of material assistance. Furthermore, corruption and inefficiency would not vanish overnight.⁷⁸

An Anglo-American working relationship, however, still proved difficult to achieve. Washington, for example, viewed Britain's economic approach to Southeast Asia with extreme suspicion. In September 1949, Acheson intimated to Franks that he considered it as another effort to bolster the sterling bloc.⁷⁹ In an effort to dispel Acheson's fears, Denning conveyed to the State Department that it was absolutely essential for both Britain and the United States to keep out of the limelight in Southeast Asian affairs. This was necessary because Anglo-American war plans focused on defending Europe, Japan and the Middle East, a commitment so large that there would be little left over for Southeast Asia.⁸⁰ Yet, when Bevin discovered in the autumn of 1949 that the United States was not contemplating further funds for the area, it focused the Attlee government even more on efforts to try and organise Asian and Commonwealth countries in the region. In October 1949, the Cabinet endorsed a policy of working towards regional political and, if necessary, military co-operation by first encouraging economic co-ordination, since political problems in Indo-China, Kashmir and Indonesia, prevented a short-term approach. These plans would be reinforced at the forthcoming Colombo conference during January 1950, which brought all the major Commonwealth powers together.⁸¹

⁷⁸ The PUSC noted that within Southeast Asia, Britain was economically dependent upon rubber, tea and jute. The dollar pool of the sterling area also derived very substantial earnings from Malaya. The output of oil fields from Borneo and Sarawak was growing rapidly. More than half the world's population lived in Asia and what the region had in labour, it lacked in skill. A combination, argued the PUSC, of Western technology and Asian manpower could be welded into a formidable partnership. 'Regional Co-operation in Southeast Asia and the Far East', PUSC(53)Final, 30 August 1949, W4743/3/500, FO 371/76385.

⁷⁹ Xiang, *Recasting the Imperial Far East*, pp.201-204.

⁸⁰ Memorandum of conversation by Butterworth, 12 September 1949, *FRUS, 1949, Vol.VII*, pp1197-1204.

⁸¹ Hack, 'South East Asia and British Strategy, 1944-51', p.324.

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When Mao announced the creation of the Peoples Republic of China on 1 October 1949, the consequent United States withdrawal and loss of access to Chinese markets, forced the Americans to look more carefully at the situation in Southeast Asia in Cold War terms, especially as the latter could help the revival of the Japanese economy. The NSC now recommended that the United States could provide technical assistance, maintain a liberal trade policy with Asia, and recognise non-communist governments. The NSC also hoped, like the British, to be able to help resolve regional conflicts in French Indo-China and Indonesia. The latter dispute, for example, had seen an increased American involvement. But, the NSC's attitude remained cautious and, for the moment, it still wanted India, Pakistan, the Philippines and Asian states to take the lead in the region.⁸² These NSC proposals were fairly similar to British plans for the region, except the latter wanted the wholehearted commitment of the United States to the region. Yet, suspicions of imperialism and the 'loss' of China, precluded a close working relationship between Britain and the United States as ^{the latter} decided to adopt a perimeter strategy around the Asian mainland. Still, within the communist bloc, Stalin's relationship with Mao also remained far from clear.

IV. The British Assessment of Stalin's Relationship with Mao

By 1948-1949, Chiang Kai-shek's disastrous Manchurian campaign and continuing social, economic and political chaos within Nationalist China, saw Stalin begin to envisage a probable CCP success. Furthermore, unlike Greece, where Britain and the United States were resolutely opposed to a communist victory, Stalin deduced that: 'China is a different case, relations in the Far East are different'. It reflected Stalin's understanding of the

⁸² 'The Position of the United States with Respect to Asia', NSC memorandum, NSC 48/1, 23 December 1949 in 'The Position of the United States with Respect to Asia', note by Secretaries to JCS, JCS 1992/6, 27 December 1949, RJCS: 1946-1953, MF 56, KCL. See also memorandum of conversation by Butterworth, 12 September 1949, *FRUS, 1949, Vol VII*, pp1197-1204. See also Schaller, *Altered States*, p.19.

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importance that the United States attached to Europe and his awareness that the Americans were according China a lower Cold War strategic priority by the late 1940s. Such conclusions led Stalin to cautiously respond to Mao's requests in May 1948 for economic assistance, by despatching several hundred technical specialists to communist areas in China.⁸³ The Foreign Office had noted the presence of Soviet technicians in north China and this merely reinforced a widespread belief in Anglo-American official circles belief that the CCP would be guided by Soviet advice.⁸⁴ However, although Mao attempted to underscore the CCP's membership of the communist community during the latter half of 1948,⁸⁵ one senior Soviet diplomat has stated that: 'Stalin advocated assistance to the Chinese communists but also understood the limitations on Soviet capabilities to shape the situation in China and to influence its policy. He often stated that the Russian and Chinese revolutions were two different matters'. The implication is that Stalin was neither willing nor able to treat Mao as a satellite leader.⁸⁶

Indeed, Stalin and Mao had a major falling out at the beginning of 1949 when the prospect of mediation in Chinese internal politics raised its head once more. After the

⁸³ Stalin despatched a team of 300 specialists to help repair rail lines in the northeast, while also providing locomotives, railway cars and repair facilities to transport the CCP for future operations to the south. See Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.179; Westad, 'Losses, Chances and Myths', p.110 and Goncharov, Lewis and Litai, *Uncertain Partners*, pp.24-25.

⁸⁴ Tientsin to Nanking, despatch no.502, 14 December 1948, F969/1015/10, FO 371/75737. The NSC saw the CCP as an effective instrument of Soviet policy and Truman decided to discontinue economic ^{assistance} in areas that became occupied by the CCP. See 'The Position of the United States Regarding Short Term Assistance to China', JSSC Report, JCS 1721/8, 27 March 1948, RJCS: 1946-1953, MF 44, KCL; Lapham to Hoffman, 26 November 1948, *FRUS*, 1948, Vol.VIII, pp.654-658; Butterworth memorandum, 30 December 1948, *ibid.*, pp.667-668 and Blum, *Drawing the Line*, pp.25-28. The British Ambassador to China also felt that the CCP would eventually be subservient to Moscow. See Lowe, *Containing the Cold War in East Asia*, p.86. The Foreign Office agreed. See Scarlett, minute, 23 November 1948, F16258/33/10, FO 371/69542 and Scott, minute, 24 February 1948, F2535/33/10, FO 371/69527.

⁸⁵ Mao sent public messages to the Italian and Japanese Communist Parties, offered condolences on the death of prominent Soviet Politburo member, Andrei Zhdanov, sent congratulations on the founding of the North Korea state, pointedly joined in celebrating the 31st anniversary of the Russian Revolution and condemned Tito. See Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.178-179.

⁸⁶ Goncharov, Lewis and Litai, *Uncertain Partners*, pp.24-25.

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failure to control currency and the military debacles in north China, Chiang was urged by prominent personalities within his ruling party, the Kuomintang, to bring the civil war to an end. He had also been publicly counselled by a bold member of the Legislative Yuan to 'take a rest'.⁸⁷ In one last attempt to gain time for his crumbling Nationalist government, Chiang had asked whether the governments of Britain, the United States, the Soviet Union and France would be prepared to mediate between himself and his communist adversaries in China. Bevin told the Cabinet that he had ascertained that the United States government were proposing to decline this invitation. Underscoring Britain's reluctance to play a major role in East Asian affairs, Bevin asserted that from his own point of view, he would much prefer not to intervene and the Cabinet agreed.⁸⁸ Bevin supported the remarks made by Stevenson that: 'apart from the desire to gain time, the Chinese government's approach is designed to put the blame upon others for the situation which is likely to be created. If we are correct in assuming that mediation is unlikely to change the course of events, then the blame is likely to be placed on us for abandoning China to the communists'.⁸⁹

Stalin thought that Chiang's move 'was inspired by the Americans' but ignored Mao's pleas to reject the offer outright. Stalin told Mao that this would give away an important weapon, the 'banner of peace', and the United States an excuse for armed intervention in

⁸⁷ 'China: Annual Review for 1948', Stevenson to Bevin, despatch no.62, 3 February 1949, F3523/1011/10, FO 371/75731.

⁸⁸ Acting Secretary of State to Stuart, 12 January 1949, *FRUS, 1949, Vol.VIII*, pp.41-42; memorandum of conversation by Sprouse, 12 January 1949, *ibid.*, pp.40-41; Bevin, minute, CM(49)2, 12 January 1949, CAB 128/15 and Cabinet minutes CM(49)2, 12 January 1949, CAB 128/15. The Foreign Office, on the whole, thought intervention would be a mistake. Firstly because it was felt that such intervention would not materially alter the course of events, and secondly because the failure of the Western powers to intervene successfully could only be expected to react unfavourably upon their future relations with China. Foreign Office to Washington, telegram no.391, 11 January 1949, F392/1015/10, FO 371/75735. See also Franks to Foreign Office, telegram no.209, 11 January 1949, F548/1015/10, FO 371/75736.

⁸⁹ See Stevenson to Foreign Office, telegram no.36, 8 January 1949, F392/1015/10, FO 371/75735 and Foreign Office to Washington, telegram no.391, 11 January 1949, F392/1015/10, FO 371/75735.

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which the Soviet Union could not help the CCP.⁹⁰ As a compromise, on 14 January 1949, Mao issued his eight conditions for negotiation which were all unacceptable to the Nationalists and three days later, the Soviet Foreign Minister, Andrey Vyshinsky, informed the Chinese Nationalist Ambassador to Moscow, that his government did 'not regard it expedient to accept the mediation [plan]'. Although Stalin wanted to avoid a final battle for southern China, in a bid to present the Soviet Union as moderate in dealing with the Chinese crisis, both Mao and the Soviet leader had been disturbed by the other's behaviour.⁹¹ Mao had been particularly upset by Stalin's refusal to receive him in Moscow. Stalin, instead, sent Politburo member Anastas Mikoyan on a secret mission, to report on and evaluate the CCP. In January 1949, Stalin informed Mao it would be improper for him to leave China as the civil war was at a crucial juncture.⁹² The British JIC were aware of potential rifts between Stalin and Mao. The continued Soviet occupation of Port Arthur and Dairen was one point of conflict. In early 1949, the JIC correctly wondered: 'whether Chinese communists will remain loyal to Moscow when Chinese national interests and the policy of the Kremlin are in conflict'.⁹³

In the first months of 1949, Stalin remained unsure about the desirability of a CCP victory over the whole of China. This was reflected in his continued refusal to sever ties with the Nationalists and a reluctance to endorse a CCP crossing of the Yangtze.⁹⁴ The political map in China had also witnessed a dramatic change in early 1949. With Chiang's

⁹⁰ See Sheng, 'The Triumph of Internationalism', pp.101-103 and Gaddis, *We Now Know*, p.65.

⁹¹ Westad, 'Losses, Chances, and Myths', pp.111-112.

⁹² Jian, *China's Road to the Korean War*, pp.68-69 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.179.

⁹³ Stalin had made it clear in early 1949, that if Mao crossed the Yangtze and it provoked an American response, the Soviet Union would not be able to come to the CCP's assistance. See Sheng, 'The Triumph of Internationalism', pp.101-103 and Gaddis, *We Now Know*, p.65.

⁹⁴ See 'Effects of Communist Successes in China', JIC(48)133(Revise), 6 January 1949, CAB 158/5 and verbatim minutes of meeting of the Intelligence Advisory Committee, 17 December 1948, FRUS, 1945-1950: *Emergence of the Intelligence Establishment* (Washington, 1996), doc no.356.

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attempts at mediation ending in failure, he 'retired' and the Nationalist government's Acting President, Li Tsung-jen, assumed power. Both Chiang and Li had been rivals and while the former attempted to retain control of Formosa, the latter sought good offices to reach a compromise with the CCP and talked about ending the fighting.⁹⁵ The British JIC, Far East, still underestimating the power of the CCP, now felt that a more liberal Nationalist government without Chiang would have a somewhat greater chance of achieving popular support. The JIC, Far East, and the CIA presumed that the most immediate course of action acceptable to Mao would be the formation of a coalition government, allowing the latter to preserve the facade of co-operation and time to consolidate their position down to the Yangtze. The JIC, Far East, estimated that the complete domination of China by the CCP, could not be achieved in under six months. If Mao did launch a campaign across the Yangtze, the major concern for the British was a threat to its imperial and commercial interests. The JIC, Far East, also feared that the former treaty ports could become battle areas.⁹⁶

An indication of Mao's attitude toward foreign powers had been provided by the CCP's occupation of Mukden in November 1948. Despite initial assurances from the communist authorities that foreigners would be protected, the British, French and American Consulates were suddenly cut off from the outside world. By the end of January 1949, the British had heard nothing from their Consulate in Mukden since 18 November 1948 and when the CCP occupied Tientsin, the last contact had been on 22

⁹⁵ Stevenson to Foreign Office, telegram no.50, 13 January 1949, F671/1015/10, FO 371/75736. In reality, Chiang still maintained his power through a network of loyalties to him within the party and army. See Coates, minute, 14 January 1949, F671/1015/10, FO 371/75736; Graves to Scarlett, letter, 18 January 1949, F1397/1015/10, FO 371/75738; Tomlinson, minute, 27 January 1949, *ibid.* and Stuart to Acheson, 28 March 1949, *FRUS, 1949, Vol. VIII*, pp.207-208 and Rao Geping, 'The Kuomintang Government's Policy toward the United States, 1945-1949' in Harding and Ming(eds.), *Sino-American Relations*, pp.58-59. See Pepper, *Civil War in China*, pp.7-195 for the end of Nationalist rule.

⁹⁶ See 'Effects of Communist Successes in China', JIC(48)133(Revise), 6 January 1949, CAB 158/5 and verbatim minutes of meeting of the Intelligence Advisory Committee, 17 December 1948, *FRUS, 1945-1950: Emergence of the Intelligence Establishment*, doc no.356.

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January 1949.⁹⁷ The loss of diplomatic rights was a blatant attempt by Mao to gain some form of recognition within China. Chou En-lai, the vice-chairman of the CCP Central Committee, had already drafted a telegram to the Party's Northeast Bureau, arguing that as the British, French and Americans had not recognised the CCP, the CCP should not recognise their Consulates. Soviet representatives in the northeast had also expressed to CCP members that their party must maintain a distance from Western countries. Furthermore, the American Consulate possessed a radio transmitter which both the Soviets and the CCP were aware could disclose CCP troop movements to the Nationalists. When Angus Ward, the American Consul-General at Mukden, refused to hand over this transmitter, CCP soldiers blockaded his Consulate and sparked off a diplomatic crisis with the United States government that lasted well over a year.⁹⁸

In February 1949, messages were eventually received from the British Consul General at Tientsin. They indicated that the British community were 'in desperate straits' as a result of the unhelpful attitude of the CCP.⁹⁹ The Foreign Office, obviously referring to arguments that Bevin had made to the Cabinet at the end of 1948, stated that: 'we [have] overestimated the chances of the Chinese communists being, initially, desperately anxious to trade with the outside world. Tientsin fell on the 15 January, and if they had been desperately anxious to do trade they could easily have had visits from plenty of British ships by now'.¹⁰⁰ In fact, Mao told the Seventh Central Committee on 5 March

⁹⁷ Addis to Hethcote-Smith, despatch no.1, 11 January 1949, F1533/1019/10, FO 371/75785. See also Chen Jian, 'The Ward Case and the Emergence of Sino-American Confrontation, 1948-1950', *The Australian Journal of Chinese Affairs*, No.30(July 1993), p.151.

⁹⁸ See *ibid*, pp.153-155. Soviet representatives in the northeast also forced the CCP to dismiss British attempts at establishing any sort of commercial contact with the British. See Kuisong, 'The Soviet Factor', pp.30-31 and Jian, *China's Road to the Korean War*, pp.36-38.

⁹⁹ Stevenson to Foreign Office, telegram no.198, 17 February 1949, F2573/1015/10, FO 371/75741.

¹⁰⁰ Coates, minute, 21 February 1949, F2573/1015/10, FO 371/75741. It was reported that at Tientsin, the CCP had indulged in anti-imperialist slogans, but their attitude towards the foreign communities was one of ignoring their existence rather than of active hostility, and there had been no incidents. Economically, trade was at complete standstill. Employers could not dismiss

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1949, that bringing the remaining foreign presence under control, was the next concern of CCP foreign policy. The CCP would not concede a privileged status to diplomats accredited to the Nationalists, nor would it recognise objectionable treaties while foreign trade would come under government control.¹⁰¹ After pressure from the China Association and internal debate about according *de facto* recognition to the CCP, the Foreign Office thought the latter question was a matter of timing. The Foreign Office argued that the British should not give the impression that once its imperial economic interests were at stake, they were prepared to swallow their principles. As the prospect of a coalition government remained uncertain, the British were anxious to proceed only in consultation with other powers.¹⁰²

However, by March 1949, it was clear that a Nationalist mission recently sent to Peking by the Acting Chinese President Li would not prove successful, especially as they had failed to fix a date or place for future negotiations. No settlement which satisfied the CCP could possibly be acceptable to the old guard of the Kuomintang, over whom Chiang's influence seemed to remain unimpaired. The latter had recently arranged for the lifting by air of 140,000 men in China from Sian to Chêngtu, in order to protect his withdrawal into Formosa.¹⁰³ Stevenson thought that: 'it appears Chiang was trying to use

employees, even when they were unable to give the employees work to do. The CCP were at least toying with the idea of encouraging calls by foreign vessels at Tientsin. Coates, minute, 7 March 1949, F3255/1015/10, FO 371/75743.

¹⁰¹ Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.174.

¹⁰² 'The Problem of Recognition', Scarlett, minute, 17 February 1949, F3305/1023/10, FO 371/75811; Sargent, minute, 18 February 1949, *ibid* and Stevenson to Foreign Office, telegram no.614, 11 May 1949, F7450/1015/10, FO 371/75756. As early as 1948, the China Association had been lobbying for the appointment of a representative to the CCP. See Denning, minute, 19 March 1948, F4392/33/10, FO 371/69529.

¹⁰³ Stevenson to Foreign Office, telegram no.239, 2 March 1949, F3210/1015/10, FO 371/757743 and Stevenson to Foreign Office, telegram no.183, 12 February 1949, F2258/1015/10, FO 371/75740. The basis of Chiang's defence plan was to hold the west coast line opposite Formosa, from Wenchow to Amoy. Chiang would then retire to Formosa to wait out World War Three at which time, backed by American forces, he would hope to return to the mainland in the role of the supreme liberator. Memorandum of conversation by Butterworth, 1 June 1949, *FRUS, 1949, Vol.IX*, pp.701-705.

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the “peace offensive” as a blind to gain time for renewal of the struggle and is ready to disavow him [Li] when desirable’. The British Ambassador presumed that the CCP leadership were also well aware of this but Mao needed time to prepare for his assault south of ^{the} Yangtze.¹⁰⁴ Despite Stalin’s concerns that a CCP advance into southern China might provoke an armed American response, Mao ordered a crossing of the Yangtze in April 1949.¹⁰⁵

As the CCP began to overrun important centres such as Shanghai, by the summer of 1949, the Foreign Office pondered intensely over the strength of the bond between the CCP and the Kremlin. Since the failure of the Marshall Mission, Mao had become convinced that the United States was the main adversary to the success of the Chinese revolution. In the late 1940s, Stalin realised that he had to tolerate the ‘nationalism’ of the CCP in order to seize the strategic advantages that the alliance gave the Soviet Union in terms of the Cold War, especially after the creation of NATO. Furthermore, continued American support for the Nationalists and the CCP’s ideological connections with Moscow, saw Mao steadily encompass Stalin’s world view of a dichotomy between the socialist and imperialist camps.¹⁰⁶ The Foreign Office, for example, could not reconcile the fact that Mao, after deliberating on the preparation of an Atlantic Pact, had announced in his ‘lean-to-one-side’ speech during June 1949, that the CCP would ‘march with the Soviet Union’ at a time when the ‘vital interest’ was surely a period of external peace after a prolonged civil war. The Foreign Office pointed out this was a quarrel that

¹⁰⁴ Stevenson to Foreign Office, telegram no.183, 12 February 1949, F2258/1015/10, FO 371/75740 and Coates, minute, 21 February 1949, F2631/1013/10, FO 371/75733

¹⁰⁵ Whether Stalin’s fear were genuine or aimed at restraining the CCP from driving out the Nationalists is not clear. See Gaddis, *We Now Know*, pp.63-65; Goncharov, Lewis and Xue, *Uncertain Partners*, pp.25-26 and Chen Jian, ‘The Sino-Soviet Alliance and China’s Entry into the Korean War’, *Cold War International Project: Woodrow Wilson International Center for Scholars* (1992), p.5.

¹⁰⁶ Gaddis, *We Now Know*, pp.63-64 and Westad, ‘Losses, Chances, and Myths’, pp.114-115.

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was in no sense Chinese but purely ideological, that is, in respect of a pact that did not touch East Asia.¹⁰⁷

Just days after Mao's speech, Liu Shao ch'i, the second ranking CCP leader, left for Moscow. On his arrival in July, Liu reiterated that the CCP would stand next to the Soviet Union in the anti-imperialist camp. Nonetheless, Liu also stated that a communist China would try to expand foreign trade and conclude diplomatic relations, even with the imperialists.¹⁰⁸ Soon after his 'lean-to-one-side' speech, Mao sent Chen Mingshu, 'a fellow traveller of the communists', to explain his thinking to Ambassador Stuart. In mid-July, Chen told Stuart that Mao's declaration was designed 'for his own Party'. The CCP still hoped for diplomatic relations between the United States and the CCP.¹⁰⁹ The United States had received other approaches from CCP officials during the summer of 1949 regarding the prospect of trade. In June, Huang Hua, Chou En-lai's assistant, even proposed a meeting between Stuart, Mao and Chou in Peking.¹¹⁰ Another apparent friendly CCP approach occurred during May and August 1949, when telegrams arrived at both the State Department and the Foreign Office, the so-called 'Chou Demarche', stressing China's need for economic help while intimating that Chou was powerful within the CCP and pushing Mao in a nationalist and potentially Titoist direction.¹¹¹

¹⁰⁷ Scarlett to Coghill, letter, 21 June 1949, F8354/1015/10, FO 371/75759; Brimmell, minute, 5 July 1948, F9742/1015/10, FO 371/75761 and Coates, minute, 8 July 1948, *ibid.* See Chen Jian, 'The Sino-Soviet Alliance and China's Entry into the Korean War', p.1-3. See also Kuisong, 'The Soviet Factor', p.30 who argues that this speech was aimed at making the CCPs' foreign policy compatible with that of the Soviet Union. See also Gu, *Conflicts of Divided Nations*, p.102.

¹⁰⁸ On Liu's departure in August 1949, Stalin promised to give the CCP technical assistance in such areas as transportation and administration, help with educational reform, the immediate despatch of 200 advisers, a \$300 million loan and support in creating an air and naval force essential for the occupation of Formosa. Stalin also agreed to shift Soviet air defence units from Port Arthur to defend Shanghai against Nationalist air attacks. See Gaddis, *We Now Know*, pp.66-67; Jian, *China's Road to the Korean War*, pp.64-77 and Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.180-181.

¹⁰⁹ Christensen, *Useful Adversaries*, pp.91-92.

¹¹⁰ *ibid.*, pp. 91-92; Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.177-178; Jian, *China's Road to the Korean War*, pp.50-57.

¹¹¹ Christensen, *Useful Adversaries*, pp.88-89. A message had been passed to the British Counsellor

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At the Foreign Office, the British spy-master Guy Burgess concluded that if the 'Chou Demarche' was genuine it did not seem to affect British policy, deducing that: 'the possibility of [there] being real differences does seem to confirm us in our wish to keep a foot in the door in China with the hope that ultimately the development of *our* connections will be the best way of weakening *Soviet* ones'.¹¹² Colleagues concurred with Burgess and thought that this alleged dichotomy would go along way to explaining 'the stiff and aloof attitude' of the Soviet government towards the CCP.¹¹³ Moreover, in agreement with Burgess, Denning did not see a requirement for a change in British policy. Denning explained that: '[Britain's] only hope of exercising any influence on the future of a communist-dominated China will be through our interests which are already there'. He concluded that if these telegrams were truthful, there was a chance that China would become Yugoslavia and that Britain should be able to exercise a healthy influence'.¹¹⁴ It is likely that through Burgess, Denning's conclusions would have reached Stalin. The implication in terms of Cold War politics would have been for the Soviet leader to promote a more accommodating attitude towards Mao to prevent the British achieving a Sino-Soviet split. This is clearly evident with Liu's visit to Moscow in the summer of 1949. However, Bevin, unlike the Americans, dismissed the 'Chou Demarche' as a plant and chose not to respond.¹¹⁵ Evidence from Chinese and Soviet sources has indicated that there were indeed differing opinions concerning the direction of the CCP's domestic

by Michael Keon, an Australian journalist, who represented United Press in Peking. While in Nanking during 1947 Keon came into contact with Chou and a number of other CCP officials while subsequently visiting 'liberated' Shangtung. Chou did not want to use Consular channels and in giving Keon the message he emphasised repeatedly that greatest care should be taken to keep his name out. Grantham to Colonial Office, telegram no.824, 10 August 1949, F12075/1015/10, FO 371/75766. See also 'Divided Counsels in Peking: Relative Influence on Russia and the West', *The Times*, 8 August 1949.

¹¹² Burgess, minute, 15 August 1949, F12075/1015/10, FO 371/75766.

¹¹³ Tomlinson, minute, 15 August 1949, F12075/1015/10, FO 371/75766.

¹¹⁴ Denning, minute for Bevin, 16 August 1949, F12075/1015/10, FO 371/75766.

¹¹⁵ Edwin Martin, *Divided Counsel: The Anglo-American Response to Communist Victory in China* (Kentucky, 1986), p.37.

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and foreign policies. Yet, these were between the pro-communist 'democratic parties' and the CCP. Chou, for example, had sided with Mao in stating that these 'democratic parties' still had illusions that the new China would be able to maintain a middle path between the two superpowers.¹¹⁶

Still, Mao was not prepared to subsume his interests under those of the Soviet Union. Like the Nationalists before them, the JIC correctly asserted that the CCP wanted to restore China's rightful place in the world and abolish Western extraterritoriality. Mao would accept a close relationship with the Soviet Union in form as Chiang had with the United States. For this reason he did not exclude attempts to establish limited relations with the Western powers but these attempts had to fit in within the 'leaning-to-one side' framework.¹¹⁷ It appeared that the United States was unable to accept this thesis, especially as the State Department worried about the domestic political reaction to a rapprochement with the CCP. On 1 July, Acheson had cabled Stuart not to attend the proposed meeting with Chou and Mao. Meanwhile, before an accommodation could be reached with the CCP, Truman wanted a stop to CCP anti-American propaganda and their Consul-General released from Mukden. The United States also continued to support Chiang, acquiesced in a Nationalist blockade of Chinese ports and showed few signs of being willing to recognise the CCP.¹¹⁸ To maintain its imperial interests, the British government, for their part, began to embark upon a different policy. Britain wanted to disassociate itself from Chiang, disapproved of the Nationalist blockade and began to show a desire to recognise the CCP as a way of protecting its interests in China.

¹¹⁶ Mao realised that the Chinese bourgeoisie and the intellectuals, including quite a number of Party activists, viewed America as the epitome of modern development. See Goncharov, Lewis and Xue, *Uncertain Partners*, p.19; Westad, 'Losses, Chances, and Myths', pp.114-115 and Jian, 'The Sino-Soviet Alliance and China's Entry into the Korean War', p.2.

¹¹⁷ See 'The Implications of a Communist Success in China' JIC(49)48(Final), 30 September 1949, CAB 158/7 and Goncharov, Lewis and Xue, *Uncertain Partners*, pp.36-51.

¹¹⁸ Leffler, *A Preponderance of Power*, pp.294-295.

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V. Keeping a 'Foot in the Door': Britain, the United States and the Recognition of the People's Republic of China.

During the course of 1949, the British Cabinet became more actively involved in the formulation of policy towards China due to the lack of American initiative in the region. Although southern China could soon become a front line in the Cold War, the prospect of this event did not provoke the same outcry as previous events in Czechoslovakia. Like Britain's reaction to the war against Japan, for the proverbial 'man in the street' the possible fall of China to the CCP was seen as a far off local event.¹¹⁹ However, British economic interests in China remained considerable in 1949. The China Association pointed out that British merchant houses transacted more than 50 per cent of the whole export trade of China with the rest of the world. The Association argued that Britain's commercial stake was an exceedingly valuable one which would bring substantial dividends to Britain in the form of 'invisible' exports. 80 per cent of Britain's stake was based at Shanghai but investments were also spread over many treaty ports such as Tientsin and Hankow which contained shipping and oil interests. In all, the British community numbered some 4-5,000 and despite the advance of the CCP, they remained determined to stay in their jobs.¹²⁰

At this stage, both the British and the Americans carefully assessed their policy towards China. Acheson, as well as Royall, Draper and Forrestal, an ardent supporter of Chiang, admitted that the CCP advance dictated a reduction or suspension of military equipment delivered to Nationalist China. Still, Truman decided against the formal termination of aid, in order 'not to discourage continued resistance to communist aggression'. But, in February, he had ordered that: 'no effort would be made to expedite

¹¹⁹ 'Red Sky in the East', *Sunday Observer*, 6 February 1949.

¹²⁰ 'British Interests in China', memorandum contained in Mitchell to Scarlett, 12 January 1949, F723/1153/10, FO 371/75864 and 'Recent Developments in the Civil War in China', Bevin memorandum, CP(48)299, 9 December 1948, CAB 129/31(Part I).

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deliveries' to China, in effect ensuring few military supplies would reach the Nationalists and, at the same time, whetting the domestic need to maintain a degree of anti-communism in Chinese policy.¹²¹ Franks and the Foreign Office presumed that the reluctance on the part of the United States government to create an anti-CCP bloc while there was a pause in the Chinese communist advance, and the State Department's determination to wait 'until the dust has settled' before formulating a China policy, made it doubly clear that the United States had: 'no intention of doing anything about China'. Indeed, the NSC admitted that their policy was 'not a happy one'. The NSC argued that the vestiges of American 'intervention' were ineffectual, served the CCP as a rationalisation for equating their interests with the Kremlin while solidifying the Chinese people in support of the communists. A major concern for the British was that this American attitude would cause them to adopt hasty and *ad hoc* measures to deal with the CCP that could affect Britain's position in China.¹²²

By 1949 both Truman and Acheson had become Atlanticist-first apologists, and as Japan assumed more importance in American strategic thinking, they viewed China as an unwelcome intrusion into American Cold War global policy. Nevertheless, while Truman, the American military and the State Department were all anti-communist, Acheson favoured exploring avenues that could prise the CCP away from the Soviet Union. Sensitive to the complexities of Asian politics and with support from officials on the ground in China, he felt that economic problems would engulf the CCP in urban and industrial China. Then, finding out that the Soviets had nothing to offer them, the CCP

¹²¹ 'United States Policy Toward China', NSC 34/1, 11 January 1949, FRUS, 1949, Vol.IX, pp.474-475; Souers memorandum for NSC, 4 February 1949, *ibid.*, pp.484-485; Acheson memorandum of a conversation with Truman, 7 February 1949, *ibid.*, p.486; Souers memorandum, 8 February 1949, *ibid.*, pp.486-487. See also Blum, *Drawing the Line*, pp.28-30; Christensen, *Useful Adversaries*, pp.77-78; Chace, *Acheson*, p.217; Schaller, *The American Occupation of Japan*, pp.184 and Leffler, *A Preponderance of Power*, p.292.

¹²² See Franks to Bevin, letter, 22 March 1949, F4595/1015/10, FO 371/75747; Coates, minute, 2 April 1949, *ibid.*; 'U.S. Policy Toward China', NSC 34/2, 28 February 1949, FRUS, 1949, Vol.IX, pp.491-495; Tucker, *Patterns in the Dust*, p.13 and Chace, *Acheson*, p.217

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would turn to the West.¹²³ Acheson's private views were more in line with British thinking. On 4 March 1949, Bevin built on his earlier paper at the end of 1948, reiterating his analysis that after a communist victory in China, there would be economic chaos. Bevin expected the CCP to be unable to balance the budget, to suffer from increasing taxation and to experience a lack of confidence in their currency. Without Formosa, rice supplies would also be insufficient while industrialisation would require foreign capital and technical assistance. Bevin doubted whether the Soviet Union and the satellites could provide much of this. Mao had long realised this and in March 1949, affirmed the CCP's previous commitment to trading with foreign countries on an equal basis. China would be almost entirely dependent on non-communist sources for supplies of rubber, oil, and fertilisers. Bevin concluded that the best hope for the British in China seemed to lie in the presumed need for the continued functioning of British public utilities, insurance, banking, industrial enterprises and commercial and shipping agencies until the CCP were ready to take them over or had organised alternatives. Only when British imperial interests in China were finally expropriated by the CCP would it be necessary, argued Bevin, to persuade other powers to proceed at once to a policy of economic warfare against the CCP.¹²⁴

Yet, almost immediately, Bevin's policy began to conflict with the actions of the United States. Stevenson told the Foreign Office that he had been approached by his United States colleague, who gave him a paraphrase of a telegram to the State Department agreeing to the use of American shipping and trade as a lever to induce the

¹²³ Cabot to Acheson, 16 July 1949, *FRUS, 1949, Vol. VIII*, pp.436-440 and Clark to Acheson, 27 July 1949, *ibid.*, pp.459-461. See also Chace, *Acheson*, p.218; Acheson, *Present at the Creation*, pp.302-344; Tucker, *Patterns in the Dust*, p.174 and Warren Cohen, 'Acheson, His Advisers, and China, 1949-1950' in Borg and Heinrichs, *Uncertain Years*, pp.13-52.

¹²⁴ 'The Situation in China', Bevin memorandum, CP(49)39, 4 March 1949, CAB 129/32, Part II; Bevin, minute, CM(49)18, 8 March 1949, CAB 128/15 and Cabinet approval in Cabinet minutes, CM(49)18, 8 March 1949, CAB 128/15. For Mao's views see Hunt, *The Genesis of Chinese Communist Foreign Policy*, pp.177-178.

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CCP authorities to permit American Consulates to function. Stevenson pointed out that the United States government regarded the ignoring of their Consulates as derogatory while Britain did not attach so much importance to it. The Americans were aiming to use their commercial interests to strengthen the position of their Consulates while the British considered the maintenance of its Consulates primarily to assist its trade interests. Stevenson was convinced that Britain should not risk damage to its own imperial interests by 'blindly' following an American lead in this matter.¹²⁵ The Foreign Office exclaimed that American policy was entirely opposed to Britain's but recognised that: 'The fact of the matter is, of course, that the interests of United States business in China are so vastly smaller than ours that the United States government have far less cogent reasons than we for acting slowly and with caution'.¹²⁶ An NSC report confirmed the China Department's analysis that the economic importance of China to the United States was not great. The NSC still desired continued trade between Japan and China and hoped that this could produce friction between the CCP and the Kremlin. The NSC therefore recommended a limited export control system that sought to embargo key strategic goods destined for the Chinese economy.¹²⁷

In April 1949, Acheson urged Ambassador Douglas in London to secure formal British co-operation in the control of exports to China. After several persistent approaches to the Foreign Office, Douglas reported in despair that the British were deliberately delaying a reply. The British had already categorically refused to put Hong Kong under the NSC export-control system. Washington's attempt to galvanise a 'united

¹²⁵ Stevenson to Foreign Office, telegram no. 342, 23 March 1949, F4314/1023/10, FO 371/75810 and Stevenson to Foreign Office, telegram no.467, 22 April 1949, F5708/1023/10, FO 371/75811.

¹²⁶ Coates, minute, 25 March 1949, F4314/1023/10, FO 371/75810 and Scarlett, minute, 28 March 1949, *ibid*.

¹²⁷ 'United States Policy Regarding Trade with China', draft NSC report, NSC 41, 28 February 1949, *FRUS, 1949, Vol. IX*, pp.826-834.

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front' between Britain and the United States was beginning to look increasingly difficult to achieve.¹²⁸ In addition to Britain's determination to maintain its imperial interests in China, another reason for the British attitude resulted from indications that the CCP could be willing to trade with them. In March, at the first meeting of the Ministerial Committee of China and Southeast Asia, chaired by Attlee, it was decided that the Hong Kong and Shanghai Bank should accept a CCP invitation to act as a foreign exchange agent in north China. This was a significant move, especially as the American banks had not been invited to attend.¹²⁹ The Foreign Office, therefore, duly sent a telegram to Washington arguing that: 'an attempt to bully [the CCP] now is unlikely to produce the result desired and may well slam the door in our faces'. The British had learnt from the Governor of Hong Kong that American attempts to send strongly worded denunciations of CCP treatment of their Consulates through an intermediary in Hong Kong had met with a strong rebuttal.¹³⁰ Conditions for the British Consul-General at Mukden also seemed to be improving, compared to his American counterpart, who continued to be blockaded within his compound.¹³¹ The extent of the hostility between the CCP and the United States during 1949, was highlighted by Mao's efforts to keep a close watch on American activities along the coast for signs of intervention and his decision to designate a reserve force to counter any landings. The Americans had no such plans but it

¹²⁸ During a formal conference between Graves and Butterworth on 10 February 1949, the Americans had officially raised the issue of putting Hong Kong trade under the NSC 41 control system. Cabot to Butterworth, 11 May 1949, *FRUS, 1949, Vol.VIII*, pp.307-310; Xiang, *Recasting the Imperial Far East*, pp.175-178; Tucker, *Patterns in the Dust*, p.24 and Martin, *Divided Counsel*, pp.19-20.

¹²⁹ Xiang, *Recasting the Imperial Far East*, p.176.

¹³⁰ See Foreign Office to Washington, telegram no. 3343, 25 March 1949, F4314/1023/10, FO 371/75810.

¹³¹ The British telephone line had been restored on 25 July 1949, the Consul's auto-licence was due to be granted and plain clothes guards had been withdrawn. Jones to Acheson, 19 August 1949, *FRUS, 1949, Vol.VIII*, p.974.

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epitomised Mao's inability to grasp that China might be only a peripheral Cold War interest of the United States.¹³²

Although Acheson had no love for the corrupt Nationalist regime and was intrigued by a possible Stalinist-Mao split, he did not reach out to the CCP or offer a basis for an eventual rapprochement.¹³³ The problem for Acheson, in the era of the Truman Doctrine, was that an abandonment of Chiang could be attacked by Republican critics as a failure to tackle global communism. In March 1949, Acheson, therefore, told Congressional representatives that limited aid would only continue to avoid the charges of deserting the Nationalists.¹³⁴ Such discrepancies in American policy saw the Nationalists continue to seek more financial aid from the United States in an effort to stem their ultimate collapse. At the end of March 1949, a strong appeal had been made to Stuart by the Chinese Prime Minister, General Ho Ying-chin, for financial assistance. Ho asserted that, failing a loan of \$200-300 million, there would be a complete economic collapse within China. Stevenson was at pains to tell his United States colleague that any American financial assistance would be inevitably regarded on both sides as being designed to prolong the war. He asserted that there was nothing that Acting President Li could do which would possibly gain popular support for a continuation of the war. Ho's inability to secure the services of the men he wanted for his Cabinet was proof that Nationalist leaders were more concerned with their individual futures than the fate of the country.¹³⁵ The Foreign Office remained in agreement with Stevenson and by May 1949, the British were preventing arms reaching the Nationalist government via Hong Kong,

¹³² Hunt, *The Genesis of Chinese Communist Foreign Policy*, p.173 and Gaddis, *We Now Know*, pp.63-64.

¹³³ Chace, *Acheson*, p.211.

¹³⁴ Christensen, *Useful Adversaries*, pp.82-83.

¹³⁵ Stevenson to Foreign Office, telegram no.344, 23 March 1949, F4290/1015/10, FO 371/75746. Many Nationalists now hoped that the prospect of World War Three would save them. See 'China: Shanghai/Nanking', CX report, 1-11 April 1949, WO 208/475.

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halting a Canadian consignment. This was particularly important, as the British felt that the arms, if delivered, would fall straight into the CCP's hands and be used against Hong Kong.¹³⁶

Stevenson's discouraging remarks about the Nationalists prompted him to stay in Nanking when it fell to the CCP in the spring and not move south to Canton with the Nationalists. Indeed, British military intelligence did not feel confident that a Nationalist attempts to set up a southern bloc would prove successful.¹³⁷ Stevenson, supported by the Foreign Office, argued that the reason for his decision was the fact that he did not want to jeopardise Britain's chance of establishing satisfactory relations with a CCP-dominated China or abandon Britain's commercial and imperial interests in the areas already overrun.¹³⁸ By the end of April 1949, Bevin hoped he could induce the State Department to support a common front with other powers that encompassed Britain's basic policy line towards China. But when Bevin was in Washington for the signing of NATO, Asia was rarely discussed while Acheson was opposed to hasty recognition, either *de facto* or *de jure*.¹³⁹ The British had, however, reached the same conclusion as the Americans about the withdrawal of warships from Whangpoo. Clashes

¹³⁶ Coates, minute, 25 March 1949, F4290/1015/10, FO 371/75746 and Scarlett, minute, 16 May 1949, F8801/1194/10, FO 371/75880.

¹³⁷ Intelligence showed that Fukien remained independently inclined; Kwangsi was the home of Li and his henchman General Pai Ching-hsi while Hunnan's status remained unpredictable because of the presence of Pai's troops. See 'Tour Notes of a Visit to Canton', GSO I (I) memorandum, 9 March 1949, WO 208/4570. The Foreign Office agreed with these views. See Scarlett, minute, 21 January 1949, F1126/10118/10, FO 371/75794. By this time, the British military had also become favourably impressed with Chinese communist forces. The troops and morale of the Army were described as excellent. See Field to FARELF, telegram no. unnumbered, 28 April 1949, F6783/1015/10, FO 371/75753 and Field to FARELF, telegram no. MA099, 28 April 1949, *ibid.* See also 'China: Conditions in Communist China and Manchuria', MI2 report, 31 March 1949, WO 208/4571.

¹³⁸ Foreign Office to Washington, telegram no. 4053, 8 April 1949, F5057/10118/10, FO 371/75795. This move, however, left the British out of touch with both the Nationalists and the CCP. See Scarlett, minute, n.d., F6541/1015/10, FO 371/75742.

¹³⁹ Acheson to Stuart, 13 May 1949, *FRUS, 1949, Vol. IX*, pp. 21-23; memorandum of conversation by Acheson, 16 June 1949, *ibid.*, p. 43 and Foreign Office to Washington, telegram no. 4670, 29 April 1949, F5786/10118/10, FO 371/75795.

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between warships and communists forces, concluded the Foreign Office, were likely to have an adverse effect upon the position of Britain's representatives and communities.¹⁴⁰

A most serious incident had occurred in April 1949, when the British ship, *HMS Amethyst*, was caught in the middle of the CCP's advance across the Yangtze. After being detained, the ship made a dramatic escape from a Chinese communist artillery bombardment. When the ship's crew received an heroic welcome on their return home it must have reinforced Mao's contempt for imperialism and a desire to remove it from China.¹⁴¹

This tense confrontation with the CCP saw the Attlee government act with considerable calm and restraint. The Foreign Office, intimating the necessity of adopting some form of recognition, noted that such an incident would never have happened if the British had been in day-to-day contact with the CCP.¹⁴² Yet, as Malcolm MacDonald pointed out, the incident dealt a blow to Britain's world power status and vividly exposed its weakness within China.¹⁴³ It led the Director of Military Intelligence to suggest that the decision to remain in China was giving the CCP the initiative. He did not dispute Bevin's policy analysis that the CCP would have a difficult task economically but was convinced that the CCP would use Britain to help overcome these difficulties and then 'throw us overboard'. The Director argued, in a riposte to Britain's adopted policy, that: 'if we pull out now...communist economic difficulties may be so great as to cause a wave of disillusion among the wavering Chinese'. The Soviet Union would then be forced to

¹⁴⁰ Foreign Office to Washington, telegram no.4670, 29 April 1949, F5786/10118/10, FO 371/75795.

¹⁴¹ See Arthur Bryant, 'London's Welcome to the Ship's Company of *HMS Amethyst*', *The Illustrated London News*, 26 November 1949. See also Malcolm Murfett, *Hostage on the Yangtze: Britain, China and the Amethyst Crisis of 1949* (Annapolis, 1991); idem, 'Old Habits Die Hard', pp.208-215 and Lowe, *Containing the Cold War in East Asia*, p.96.

¹⁴² Martin, *Divided Counsel*, p.13 and Xiang, *Recasting the Imperial Far East*, pp.190-191.

¹⁴³ MacDonald to Creech Jones, telegram no. 385, 30 April 1949, F6195/1061/10, FO 371/75839.

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waste money on China as the British and Americans had done. This, the Director concluded, would surely help the Western democracies' cause. Such an antagonistic line, which dismissed the protection of British imperial interests, was not widely supported in Whitehall and was probably written as a knee-jerk response to the worsening conditions for the British inside China.¹⁴⁴

An important event that affected the majority of the British community, had occurred in May 1949 when the CCP occupied Shanghai.¹⁴⁵ The CCP ignored British Consular offices and had demanded the closure of American and British publicity services in Shanghai. CCP troops remained well behaved but British merchants were unable to make contact with responsible CCP officials to protest against unreasonable sums of taxation. Consequently, the strain on British business had made Chinese labour unruly. Meanwhile, a Nationalist blockade of Chinese ports and the wholesale Nationalist removal of industrial assets at Shanghai had left trade at a standstill.¹⁴⁶ The China Association estimated that the British commercial community was now drawing on reserves at the rate of £375,000 a month.¹⁴⁷ To the annoyance of the British government, Anglo-American differences in trade policies resurfaced with the Nationalist blockade of the Chinese coast. The United States government would not join the British in an attempt to negotiate the end of the blockade and protect Britain's commercial interests.

¹⁴⁴ The Director of Military Intelligence recognised that some agents had to stay behind to tell Britain what was happening but he recommended trained experts rather than normal commercial methods. See 'Foreign Office Proposed Policy towards Communist China', DMI memorandum, 25 August 1949, WO 208/4583.

¹⁴⁵ Shanghai's economy had already been drained by the Nationalists. There were no markets, no confidence and unemployment was rising. See Urqhart to Foreign Office, telegram no.315, 7 May 1949, F6541/1015/10, FO 371/75752.

¹⁴⁶ Chiang was stripping Shanghai of whatever assets, including technical personnel, that could be shipped out. Butterworth memorandum for Webb, 17 May 1949, *FRUS, 1949, Vol.IX*, pp.325-327.

¹⁴⁷ 'British Communities in China', Foreign Office memorandum, no date, F10964/1611/10, FO 371/75942. Urqhart and the British community wanted to break the Nationalist blockade and defeat 'the last vicious kicks of a dying mule'. Shanghai to Foreign Office, telegram no.526, 4 July 1949, F9793/1261/10, FO 371/75901.

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Privately, Truman supported the blockade and it reinforced the economic pressure that Acheson hoped to use on the CCP.¹⁴⁸

When the State Department did agree to joint action of sending 'relief ships' to Shanghai, the Foreign Office was dismayed to discover that the American objective was to withdraw its citizens from there.¹⁴⁹ Despite the protests of the British community, there was no question of the Royal Navy attempting to break the Nationalist blockade of Chinese ports.¹⁵⁰ Acheson had already used the term 'stab in the back' in respect of actions that could help undermine the resistance of the Nationalist government on Formosa. The Foreign Office recognised that a forceful attempt to break the blockade would be open to accusations of imperialism by the CCP and perfidy by the Nationalists.¹⁵¹ The American decision to begin to evacuate nationals from Shanghai led John Keswick, the head of the British commercial community in China, to refuse to be swept away by American hysteria.¹⁵² To the British, after the United States started to shut down Consular posts, all evidence pointed to the fact that the United States were

¹⁴⁸ Stuart to Acheson, 24 June 1949, *FRUS, 1949, Vol. IX*, pp.1105-1107.

¹⁴⁹ Xiang, *Recasting the Imperial Far East*, pp.180-181 and Blum, *Drawing the Line*, p.96.

¹⁵⁰ Shanghai to Foreign Office, telegram no.977, 15 November 1949, F17090/1261/10, FO 371/75913.

¹⁵¹ The British were not prepared to respect the blockade, especially after the Nationalist bombing of the British ship, *Anchises*. Butterworth memorandum for Acheson, 27 June 1949, *FRUS, 1949, Vol. IX*, pp.1110-1112; 'British Shipping Interests and the China Blockade', Scarlett, minute, 16 November 1949, F17322/1261/10, FO 371/75914 and Stevenson to Foreign Office, telegram no.1083, 21 July 1949, F10820/1261/10, FO 371/75903. But one British official thought the CCP would be only too happy to see the British embroiled with the Nationalists. Franklin, minute, 7 December 1949, F19194/1261/10, FO 371/75917.

¹⁵² Cabot to Acheson, 16 July 1949, *FRUS, 1949, Vol. VIII*, pp.436-440 and Urqhart to Foreign Office, telegram no.657, 6 August 1949, F11657/1015/10, FO 371/75765. Denning, record of conversation, no date, W4528/2/500, FO 371/76383. Urqhart and Keswick were both later assured by the several Chinese communist officials, including the new Mayor of Shanghai, that the CCP did not intend to injure British subjects and that they wished to establish normal relations with the business community. See Urqhart to Foreign, telegram no.727, 30 August 1949, F12960/1015/10, FO 371/75768 and Shanghai to Foreign Office, telegram no.731, 30 August 1949, F12961/1015/10, FO 371/75768.

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perfectly willing to cut their losses in China and pull out, which appeared 'defeatist' to Dening.¹⁵³

The chaos enveloping Shanghai, argued Robert Urqhart, the British Consul General in the city, was due to the inefficiency of the 'simple-soldier men' of the CCP who did not possess the administrative knowledge to cope with the problems of Shanghai. But Urqhart also realised that the Moscow-type elements at present in control of Shanghai were attempting to squeeze foreign firms out.¹⁵⁴ Yet, when Urqhart presumed that Peking would attempt to crack down on these extremist elements in Shanghai, Patrick Coates at the ^{Eastern} Far East Department in the Foreign Office wondered why the British should expect Peking to be less extreme and he had no reason to believe that Mao was not a Moscow-type politician.¹⁵⁵ An article in *The Times* had already pointed out that foreign interests in Tientsin seemed fairly unanimous in their belief that the CCP were out to eliminate them as soon as practicable. *The Times* article concluded that foreign interests in Shanghai had not yet 'felt the pinch' in the same way as Tientsin.¹⁵⁶ Indeed, Mao had worried in 1949, that without 'closing the door', or at least tightly controlling its access, the Chinese communist revolution could lose its momentum, just as the CCP was preparing to reorganise the cities.¹⁵⁷

Meanwhile, in June, the Republicans increased their attacks on the Truman administration's 'appeasement' of Chinese communism. Later in the month, 21 senators sent a letter to Acheson demanding that the United States not recognise the CCP.¹⁵⁸

¹⁵³ Dening, minute, 4 August 1949, F11338/1261/10, FO 371/75904 and Martin, *Divided Counsel*, chps.8 and 10.

¹⁵⁴ Urqhart to Foreign Office, telegram no.576, 1 July 1949, F9684/1015/10, FO 371/75761.

¹⁵⁵ Coates, minute, 6 July 1949, F9684/1015/10, FO 371/75761.

¹⁵⁶ 'Trading Policy in China: Doubts of Hong Kong Merchants', *The Times*, 5 July 1949.

¹⁵⁷ Westad, 'Losses, Chances, and Myths', pp.114-115 and Jian, *China's Road to the Korean War*, pp.40-41.

¹⁵⁸ A coalition of politicians, journalists, scholars, businessmen, military leaders and missionaries tried to keep China at the forefront of American policy. Dubbed the 'China Lobby' by the New

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Mao's ideology and the American reluctance to accommodate the CCP were now preventing the chance of even limited contact.¹⁵⁹ The most strident members of the Congressional China block seized on Truman asking Congress to approve the Mutual Defence Assistance Act to provide funds for arms, defence production and other activities in Europe and Asia. After signing the NATO treaty on 23 July 1949, Truman formally proposed the creation of \$1.5 billion to help buttress European allies. Senator William Knowland, however, argued that \$200 million be amended for use in East Asia. From August through to September, Knowland and Senator H.Alexander Smith continued to press for a diversion of aid while John Vorys and Walter Judd berated the Truman administration's desertion of China.¹⁶⁰ *The Economist* had correctly worried that any aid given to Nationalist China would be at the expense of support sufficient to sustain the economic and military reinforcement of Europe.¹⁶¹

Matters were unintentionally made worse when, in August 1949, the Truman administration produced a 1,100 page White Paper, entitled *United States Relations with China with Special Reference to the Period 1944-1949*, that hoped to place the facts about Nationalist rule in China before the American public. In Acheson's letter of transmittal, drafted by Philip Jessup, the State Department emphatically declared that the Nationalist failure in China did not stem from the inadequacy of American aid. It also stated that the CCP leaders 'have publicly announced their subservience to a foreign power, Russia'.

York Communist Party in 1949, this grouping was motivated by genuine support for Chiang to a desire to produce an election issue with which to beat Truman. All feared the threat of a CCP takeover because they would lose profits of trade and manufacturing enterprises or the opportunity to make China a strategic bastion against Soviet Union. See Christensen, *Useful Adversaries*, pp.88-89; Tucker, *Patterns in the Dust*, chp.5 and idem, *Taiwan, Hong Kong, and the United States*, pp.21-22.

¹⁵⁹ See Warren Cohen, 'Introduction: Was there a "Lost Chance" in China', *Diplomatic History*, Vol.21 No.1 (Winter, 1997), pp.71-75 and Chen Jian, 'The Myth of America's "Lost Chance" in China: A Chinese Perspective in Light of New Evidence', *Diplomatic History*, ibid., pp.77-86.

¹⁶⁰ Schaller, *The American Occupation of Japan*, pp.196-200; Tucker, *Patterns in the Dust*, Chps.5, 8 and 9 and Christensen, *Useful Adversaries*, pp.93-96.

¹⁶¹ 'Eleventh Hour in China', *The Economist*, 23 April 1949.

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This was a position that Acheson did not hold, according to John Melby, a key adviser on China affairs for Marshall, who had written the draft of the White Paper. He approved this language in order to appease the China bloc and because he thought it would be little noted. In the end it made it difficult for the United States to pursue a policy of recognition, even if Mao eventually conquered Formosa and eliminated all domestic opposition. Republican senators assailed the White Paper as a whitewash and a wishful 'do-nothing' policy which had succeeded only in placing Asia in danger of Soviet conquest.¹⁶² Henceforth, as a compromise, during September, Acheson relented and proposed that \$75 million should be used on a confidential basis by Truman in 'the general area of China'.¹⁶³

These internal pressures on American policy had, in July, seen Acheson cable his Ambassador in London to elicit a frank exchange of views with Bevin before either government finally crystallised its position. Acheson wanted to delay the British in reaching an early decision to recognise the CCP which would run contrary to American policy. ~~Bevin appeared reluctant, particularly as he was immersed in Near and Middle Eastern problems. A conference was taking place in London and Bevin was anxious to maintain a workable balance between the Arabs and Israelis.~~¹⁶⁴ It was not until 13 September 1949, when a meeting was held at the State Department, that Acheson told British officials he was determined to get the question of China removed from the field of internal American politics. Bevin had already informed the British Cabinet that United States policy seemed to have taken a sharp turn in the direction of retreat. While on the one hand the State Department had issued a White Paper which sought to justify the past

¹⁶² Chace, *Acheson*, pp.219-220; Acheson, *Present at the Creation*, pp.302-307; Blum, *Drawing the Line*, pp.92-95 and chp.8 and Tucker, *Patterns in the Dust*, p.24.

¹⁶³ Acheson to Douglas, 20 July 1949, *FRUS, 1949, Vol.IX*, pp.50-52; Douglas to Acheson, 22 July 1949, *ibid.*, p.52; Tucker, *Patterns in the Dust*, p.24 and Bullock, *Ernest Bevin*, pp.712-714.

¹⁶⁴ Schaller, *The American Occupation of Japan*, pp.196-200 and Christensen, *Useful Adversaries*, pp.93-96.

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policy of the United States in China and liberally castigated the Nationalists, on the other they appeared to have decided that it was no longer desirable to keep 'a foot in the door' and to be desirous of evacuating their nationals from China as soon as possible. Still, the fact that the United States had asked the British to take charge of their Consulates and American interests was interpreted by Bevin to mean that the United States did not quarrel with Britain's decision to remain in China.¹⁶⁵

Nevertheless, Acheson argued that the United States should avoid giving the appearance of 'running after' the CCP. Acheson categorically stated that: 'this was not the moment for conciliatory gestures to the communists, which would only be represented as a sign of weakness, and in any case would be unacceptable to the American public'. The aim, therefore, was to let the CCP learn by bitter experience that the position of being a Soviet satellite had little to recommend it. Acheson recommended that there should be no premature recognition of the CCP while all North Atlantic powers must follow a concerted policy, especially regarding the prohibition of exporting strategic raw materials to China. Although Bevin intimated that Britain was in no hurry to recognise the CCP, he explained that the British found themselves in a rather different position to the Americans in China, since their commercial interests were very much greater. The British community had been advised to stay where they were and British Consular officers remained at their posts. Bevin observed that the grant of recognition would have to depend on how the communists behaved. It would certainly not be given if they tried to use threats. At the same time Bevin thought there was a risk, if the Western powers remained too obdurate, that the Chinese would be driven further into

¹⁶⁵ The United States had decided to close their consulates at Canton, Kunming, Chungking and Tihwa and drastically reduced their staffs at Nanking and Shanghai. 'China', Bevin memorandum, CP(49)180, 23 August 1949, CAB 129/36. Bevin thought the United States White Paper on China was bold but pointed out to the American Ambassador in London that they had no alternative to put in his place. See 'Conversation between Secretary of States and the United States Ambassador: British and United States policy Towards China', Bevin to Franks, telegram no.1243, 26 August 1949, F12843/1023/10, FO 371/75814.

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the arms of Moscow. Acheson agreed that the objective must be to encourage a split with Moscow and said he quite understood Britain's overall position in China. Acheson concluded that: 'as long as the objective of the two governments remained the same he did not think it mattered greatly if there were some divergence on tactics'.¹⁶⁶

The British were encouraged by Acheson's remarks and indeed both the British and the Americans were adopting a policy of embargo on the supply of war materials to the whole of China, to prevent China becoming too strong.¹⁶⁷ However, unlike the Americans, the British did not wish to extend the ban to strategic goods of key importance to the Chinese economy which could jeopardise the position of Hong Kong and substantial British trade and investments in China.¹⁶⁸ Not long after the Bevin-Acheson meeting, the State Department were forced to accept that the CCP were 'here to stay for some time'. Diplomatic reports considered it futile to expect the CCP to be overthrown by economic distress, scattered peasant revolts or the diminishing resistance of the Nationalists. The State Department therefore decided that the prudent course was to refrain from hostile acts and let the CCP witness that the Soviets had little to offer.¹⁶⁹ The British JIC agreed and doubted whether the Soviets had the sufficient

¹⁶⁶ 'China', record of a meeting held at the State Department, Washington, 13 September 1949, F14109/1023/10, FO 371/75815.

¹⁶⁷ See Denning to MacDonald, letter, 1 October 1949, F14256/1072/61, FO 371/76032 and Conversation between Denning and Butterworth at the State Department, 9 September 1949, F14194/1023/10, FO 371/75815. Acheson had also told the Portuguese Foreign Minister that if Hong Kong was attacked would be seen as a violation of the UN Charter and the United States would fulfil its obligation under that Charter. See 'Developments in China', Record of meeting at State Department, 17 September 1949, F14440/1023/10, FO 371/75815.

¹⁶⁸ The Americans wanted to ban, for example, mining equipment, power generating equipment, essential transport equipment, steel mill equipment and petroleum products. The British would only agree to the banning of petroleum products but the rest were not considered a security problem and rather merely a political bargaining counter for the United States. See 'United States policy Regarding Trade with China', report on NSC 41 from Acheson to Souers, letter, 4 November 1949 in 'United States Policy regarding Trade with China', note by Secretaries, JCS 1721/39, 8 November 1949, RJCS: 1946-1953, MF 56, KCL and 'China', conversation between Denning and Butterworth at the State Department, 9 September 1949, F14256/1072/61, FO 371/76032.

¹⁶⁹ See Jones to Acheson, 3 September 1949, *FRUS, 1949, Vol. III*, pp.519-521; Tucker, *Patterns in the Dust*, pp.184; Blum, *Drawing the Line*, p.107 and Leffler, *A Preponderance of Power*, p.297.

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technical manpower, specialist knowledge and political skill to exploit the opportunity afforded by the CCP victory. The JIC also saw potential frictions between Stalin and Mao over the status of Mongolia, Sinkiang and Manchuria.¹⁷⁰

With the domination of China by the CCP a near certainty, Stevenson argued that British policy could be summed up in one word: 'trade'. He fully endorsed Bevin's comments to Acheson and thought Britain had a good chance of retaining a 'foot in the door'. To ensure this, Stevenson recommended that the question of recognising the CCP had to be based on practical and not ideological grounds.¹⁷¹ Yet, Stevenson's theory, that protests against CCP behaviour could be stepped up if the latter misbehaved, would not work in practice. The CCP now believed that it was the turn of the Western imperialists to defer to the Chinese.¹⁷² The CCP leadership, anxious to establish themselves as socialist revolutionaries, were quick to denounce British imperialism. But, the CCP were also determined to show that they were China's new rulers and wanted to be recognised by the British government according to established new international conventions.¹⁷³ Despite American objections, the British recognised the Peoples Republic of China in January 1950, hoping it would protect Britain's imperial position in Asia by reducing the

¹⁷⁰ Sinkiang, for example, traded almost exclusively with the Soviets. It had deposits of tungsten ore and oil. Manchuria was rich agriculturally and had abundant timber. The Soviet Union, according to the JIC, wanted to maintain Manchuria as a source of foodstuffs and raw materials. The potential industrial power still existed and the basis laid by the Japanese was very extensive. 'The Implications of a Communist Success in China', JIC(49)48(Final), 30 September 1949, CAB 158/7.

¹⁷¹ Stevenson to Foreign office, telegram no.1391, 1 September 1949, F13102/1023/10, FO 371/75814. The British had reports that the CCP were making quite good attempts at solving the most immediate economic problems but still felt that economics was the Achilles Heel of the CCP. Coates, minute, 4 October 1949, F14533/1017/23, FO 371/76217.

¹⁷² Coates, minute, 3 September 1949, F13102/1023/10, FO 371/75814. Stevenson had argued that Britain should ignore abuse after it had established relations with the CCP because the British would then grounds for reacting and causing as much trouble as seemed desirable. Stevenson to Foreign office, telegram no.1391, 1 September 1949, F13102/1023/10, FO 371/75814.

¹⁷³ James Tuck-Hong, *Britain's Encounter with Revolutionary China, 1949-54* (London, 1992), p.vii.

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threat to Hong Kong, Malaya and Singapore, encouraging trade and undermining Soviet influence over the CCP by maintaining contact with communist China.¹⁷⁴

In conclusion, Britain's attitude towards China, despite or because of the pressures of the Cold War, was bound to differ from the United States. In all cases concerning Britain's China policy, the British wanted to protect their imperial and commercial interests in Asia. This was essential in order to maintain Britain's world power status. Henceforth, a determined effort to defend Hong Kong and a desire to maintain a 'foot in the door' had their roots in imperial policy rather than primarily any Cold War policy. However, by 1949, the British began to think more in Cold War terms, especially in their commitment to prevent Southeast Asia turning 'red'. The problem remained in finding a partner to tackle the communist threat in Asia. For the United States, an involvement in Southeast Asian defence could also be seen as an effort protect Britain's imperial interests. Consequently, after a hard fought war in the Pacific against Japan, the United States began to move towards adopting more aggressive methods to thwart further communist incursions into East Asia. Controls on exports to China were seen as a way to halt the growing strength of the Chinese communist state while bases on Japan and the surrounding perimeter could serve as a warning against further communist ambitions beyond China. In the end, both Britain and the United States hoped to foment a Sino-Soviet split, the British from within, the Americans from without.

¹⁷⁴ Foreign Office to Washington, telegram no.11571, 16 December 1949, F19057/1023/10, FO 371/75828. Consequently the decision to recognise the People's Republic of China meant that it would no longer recognise the Nationalists. However, the Chinese Nationalist Ambassador to London was informed that the British Consul in Formosa would continue to maintain *de facto* relations with the local authorities. See 'Recognition of Chinese Communist Government', Bevin, minute, 23 December 1949, F19460/1023/10, FO 371/75830 and memorandum of conversation by Sprouse, 16 December 1949, *FRUS, 1949, Vol. IX*, pp.224-226. See also Ritchie Ovendale, 'Britain, the United States, and the Recognition of Communist China', *Historical Journal*, Vol.26 No.1 (1983), pp.139-158.

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This study has examined the part Britain played in the development of East Asia from 1944-1949. The period in question witnessed the defeat of Japan, the division of Korea and communist victory in China. Britain did not play a dominant role in the formulation of Western policy towards East Asia, nor did it want to. Both World War and Cold War priorities dictated that Britain direct its resources to Western Europe, the Middle East and Southeast Asia. The situation was made worse by Britain's declining economic position. This did not mean, however, that the British were prepared to abandon East Asia. British imperial and economic policy towards East Asia formed one of many components in Britain's foreign policy that aimed to sustain British world power in the emerging postwar world. In the Second World War and the Cold War, imperial interests would therefore dominate Britain's policy towards East Asia. The result of pursuing such a strategy in this region meant that close co-operation with anti-imperialist America proved difficult to achieve. The dilemma for Britain was that it wished to perpetuate its imperial position in order to secure influence, world power and independence from the United States. Yet, there was also the need for American resources to help defeat Japan and protect Western civilisation from communism. Perhaps more so than in Western Europe and the Middle East, the British often felt there was little room to manoeuvre in East Asian politics. Consequently, Britain was either forced to follow or modify American policies while trying to maintain its imperial interests.

From 1944, Britain struggled to resurrect its pre-war prominent voice in East Asian affairs as Stalin and Roosevelt began to bilaterally settle Chinese and Korean issues. This signified that Britain was losing its status as a world power of the first rank. The British, concerned, sought ways in which to restore its global power but this led to a policy of cross purposes in Whitehall. On the one hand, Britain saw its imperial position in Asia as

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a visible sign of power that had to be restored. On the other, a role in the final assaults on Japan was deemed necessary to secure a voice at the peace table and procure American co-operation for the next war. Britain could not pursue both simultaneously and this left British wartime and postwar strategy in a shambles. In addition, the United States found it hard to back a British imperial strategy or allow British participation in the final assaults on Japan which they considered their 'show'. The American desire to distance itself from imperialist Britain in Asia and maintain an exclusive hold on the direction of policy and strategy towards East Asia, continued into the postwar period. The prospect of close Anglo-American consultation for the region remained dim. Other features of British policy during 1944-1945 also set the stage for postwar British attitudes towards East Asia. For example, there remained a tendency on the part of British planners to underestimate the potential impact that China could exert on the postwar world and Churchill, in particular, was guilty of this. Similarly, the British were too ready to dismiss the wider significance that concessions to the Soviet Union in China and Korea might have. The continuing inclinations to ignore these long term implications often stemmed from the short term belief that they posed no immediate threat to British imperial interests inside China, Hong Kong and Southeast Asia.

These short term considerations were evident in British policy towards Korea. After initial Foreign Office soundings that Britain would want to play a part in Korean affairs, a consensus grew in Whitehall that it would be financially and politically undesirable. Korea was deemed to hold no particular interest for Britain's foreign policy aim of securing its imperial position in Asia and this led to a certain amount of diffidence towards Korean affairs. Still, the British did formulate a view for Korea, particularly as the United States and Soviet Union were precariously separated by the 38th parallel. Initially, the United States hoped to settle the Korean issue with the Soviet Union on a bilateral basis. Once this American policy started to run into trouble and the Cold War

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began to emerge, a 'Western' policy for Korea was unlikely to culminate. By 1948-1949, the British, immersed in Berlin, Malaya and the defence of Hong Kong, showed no interest in rolling back communism in Korea and could not perceive the wider Cold War implications of Korea turning communist until it was far too late. The Truman administration, for its part, dismissed the possibility of British help in Korean affairs and consultation remained minimal. But the United States, unlike Britain, did appreciate that a communist domination of Korea could damage its Cold War credibility and undermine its position in Japan. Yet, previous experience in China saw the Americans unwilling to accept another Asian continental commitment and this led to a confused American strategy of withdrawing from Korea under UN cover and providing economic aid. These mixed signals led British officials to believe that Korea remained very low on the American list of priorities and that it could be written off.

One reason for Britain's underestimation of the value of East Asia in the developing Cold War was that traditionally minded Foreign Office officials could not really believe that ^{China and Korea} Japan, were capable of operating democracy as 'successfully' as Britain. This view was vividly highlighted in Japan. The British did not believe that postwar Japan had embraced democracy as wholeheartedly as MacArthur proclaimed. With centuries old experience of imperial rule in Asia, there is little wonder that the British deemed Asian peoples to be politically backward. Henceforth, during the occupation of Japan, British concern focused on the revival of traditional Japanese ways and, compared to the United States, Britain was reluctant to accommodate Japan as a Cold War asset. Instead, imperial and economic concerns dominated British thinking towards Japan. For example, British officials felt that a reinvigorated Japan could pose a threat to Britain's imperial and Commonwealth interests in the Asia-Pacific while witnessing an increase in competition for British exporters. The British had also recognised, since 1944, that a Japanese collapse could destabilise Asian-Pacific trade thereby spreading chaos to Britain's

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imperial colonies in Southeast Asia. Japanese economic breakdown was of great concern to British officials as this could have led to the diversion of much needed American economic assistance from Western Europe to Japan. The last scenario, in particular, rather than the endorsement of a Cold War strategy for East Asia, saw the British move gradually towards accommodating America's 'reverse course' policy for Japan. After its hard fought victory over Japan, the United States was willing to proceed unilaterally in the formulation of its policy towards Japan. Furthermore, the small British contingent in BCOF and UKLM's inability to secure Britain's interests other than through SCAP, left little room for the British to manoeuvre. These events demonstrated Britain's declining influence in East Asian affairs and dealt a blow to one of its foreign policy objectives in maintaining Britain at the forefront of world powers.

In China, these influences on British policy towards East Asia continued. The British did not devise its policies in a Cold War framework until 1949 and even then, Cold War *The CCP's potential was widely underestimated in the world, even in the USA and USSR.* thinking was dominated by imperial and commercial concerns. There is no doubt that the British underestimated the potential of the Chinese communists to rule China and disregarded the effect that this might have on Britain's imperial position in Asia. One explanation for this poor analysis stemmed from Britain's traditional experience in Chinese affairs. Since Britain's arrival in China during the nineteenth century, warlordism and political factionalism perpetuated a British belief that China could not be run effectively by a single political entity. In 1945, Britain therefore felt it was possible to restore its prewar imperial and commercial interests in China and Hong Kong. Such a return would signify that Britain's power was truly global. The political map, of course, had changed. American influence sought to remove age-old imperialist ways inside China and the British found it hard to reassert itself. Political turmoil in China eased the pressure for a British return somewhat but it would prove short-lived as the strength of the CCP began to increase. As Mao's power base gradually expanded in China, a

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co-ordinated Western policy to tackle communism in China was difficult to achieve. Firstly, as in Korea, Britain was not in position to provide financial help for Nationalist China. Secondly, America's opposition to imperialism saw them demur from working with the British in a region where the United States also sought to benefit economically from its prominent role in the Asian-Pacific war. In fact, Anglo-American economic rivalry inside China remained a feature well into the late 1940s. The United States hoped they could stabilise the situation in China by despatching the Marshall Mission and providing economic help to the Chinese Nationalists. The problem was that Chiang Kai-shek was no more likeable a figure than Syngman Rhee. Once the United States failed to thwart the outbreak of civil war in China and appeared unable^{to} prevent economic chaos because of Chiang's determination to defeat Mao, the Truman administration found it hard to devise a policy for China other than to wait for the 'dust to settle'. The British were critical of this stance but provided no policy alternatives that could rollback communism in China. In part, this attitude stemmed from the fact that Britain, and in particular its intelligence bodies, underestimated the ability of the CCP to control the whole of China. Even when, in 1949, the British considered that a communist-dominated China could be the precursor to Southeast Asia turning 'red', Britain still sought to preserve its imperial and commercial position in Asia. The British sent forces to Hong Kong, aimed to keep a 'foot in the door' in China and decided to recognise the CCP that led to a consequent abandonment of Chiang in Formosa.

This thesis hopes to demonstrate that British policy in East Asia from 1944-1949 was dominated by the desire to protect Britain's imperial position in Asia and consequent world power status which formed a major part of Britain's foreign policy. It appears that the task of directly defeating Japan and devising a Cold War strategy for East Asia were often pushed aside by the British in favour of imperial concerns that could rejuvenate Britain's global standing. American Cold War policy towards Asia has often been

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criticised, even by British officials at the time. In its defence, the United States was at least more far sighted than Britain and attempted to devise strategies for East Asia with a view to their Cold War implications. The British appeared extremely reluctant to think in Cold War terms for East Asia and provided few alternatives that could revitalise Western power in China and Korea. This failure to underestimate the potential effect that the East Asian region could have on the Cold War leads one to conclude that Britain cannot evade responsibility for the disastrous Western policies that evolved for China and Korea. Finally, perhaps more so than any other region, Britain's misperceptions towards the region and the struggle to impinge its influence on the evolution of East Asian affairs was highlighting its inability to act as a truly global power of the first rank.

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IX. Unpublished Work

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